

The Role of Intangible Human Factors in Business Success in South Asian
Ethnic Minority Small Businesses

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Abstract

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Keywords: *Intangible Human Factors, South Asian ethnic minority small businesses, Ethnic minority entrepreneurship, Small businesses in West Yorkshire, South Asian ethnic culture, the culture-induced entrepreneurship model.*

Extant scholarship has paid considerable attention to exploring the impact of people-dependent intangible resources on business success but in large organisations only. Research about the role of these resources in small businesses, in general, and in ethnic minority small businesses, in particular, is scarce. The current study attempts to narrow this gap. Since it is impossible to study all the ethnic minority small businesses, this study uses a case study strategy that focuses on South Asian ethnic minority small businesses that deal in fashion. The study adopts a qualitative research methodology, it uses the semi-structured in-depth interview method to collect data, and it espouses an inductive thematic technique for coding/analysis of the data. Five overarching themes emerged from the interview data. These are: business success; compassionate customer service; relationships; knowledge, experience, training and education; and ethnic culture and the wider economic and political environment.

Discussion of these themes leads to the formation of the culture-induced entrepreneurship model. According to this model, the continued success of these businesses is driven by the ethnic culture, while the existence of these businesses helps to maintain the culture in return. However, overdependence on the coethnic base might risk the future success of these businesses. This thesis concludes by highlighting its theoretical contributions to the culturalist view and the mixed embeddedness model of ethnic minority entrepreneurship and small business literature. The implications of this study for researchers, practitioners, and policy-makers, as well as its limitations and the possible future research paths, are also discussed.

Acknowledgement

All the praises are to Allah, the Lord of the worlds Who is my Creator, Sustainer, and Cherisher. He created me one of the many human beings about whom He says *'Verily We have honoured the children of Adam. We carry them on the land and the sea, and have made provision of good things for them, and have preferred them above many of those whom We created with a marked preferment'* (Al-Quran 17:70).

If I have to describe my supervisor Professor Nancy Harding in one word, I will utter without hesitation *'amazing.'* She is amazing because the way she trains people. Her advice is always timely and to the point. She has a unique style of telling someone off in a constructive, professional and non-offending manner. She criticised my work at times in a way that forced me to take a step back and think all over again. She knew I needed that and I understood her criticism and took that on board wholeheartedly. That made my work more fine-tuned. Certainly, I am not the first and surely will not be the last having such a good experience with her and a perception of her style of providing research training. Many thanks, Professor Harding, May God bless you. I am also grateful to my second supervisor Dr. Janine Williams. Her valuable advice helped me to refine this thesis.

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Dedication

I dedicate this work to my mother Salami Bibi (late) and my father Mohammed Ismail Khan; my wife Nazia Kanwal Haq; my brothers Lajbar Khan, Abdul Hafiz and Usman Ghani; and my sisters Laheeda, Zuma, Waheeda and Zuli. These people have played a direct role in my life in different ways and helped me to earn not just this Ph. D., but to be where I am today. Others who deserve to be mentioned and who helped me indirectly or motivated me to achieve a doctorate in social sciences, include my sons Mazharul Haq, Mahbabul Haq and Mamon Haq, my daughter Laurabe Haq, my daughter-in-law Arzoo Mazharul Haq, and my grandsons Mohammad Taahaul Haq, Muhammad Ibrahim Haq, and Haroon Yahya Haq.

In addition, a little part of this work is dedicated to our family cat, Shunu Zidan. He, for the last four years (since we rescued him from a busy street, which he brought to a standstill because of his hunger and distress when he was a tiny baby), has been seeing us off every morning by standing on the stairs and staring at us while slowly blinking his eyes, then waiting for us by the front entrance door every evening. His waiting in the evenings might be informed by his desire to be petted and/or his need for food, but he makes us believe that he loves us, therefore, waits for us to come home and give him company. This may not be the only interpretation of his behaviour.

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Abbreviations and Acronyms

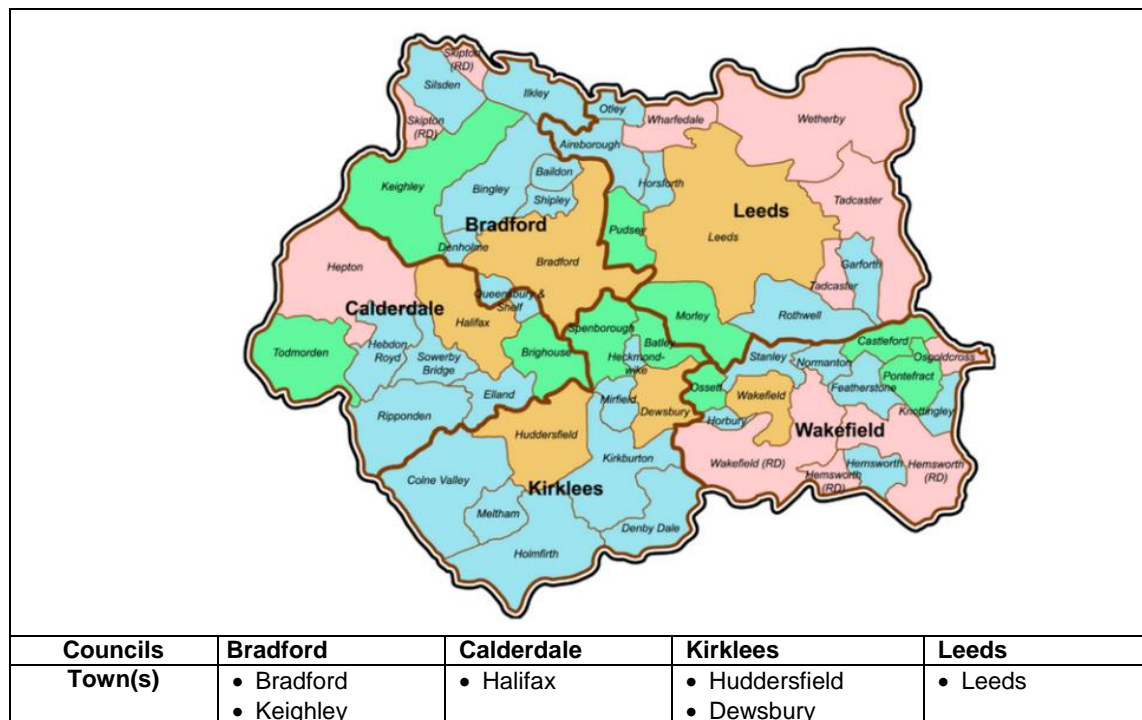
BBC	-	British Broadcasting Corporation
BIS	-	Department for Business Innovation and Skills
CA	-	Competitive Advantage
CEO/CEOs	-	Chief Executive Officer/Officers
CIEM	-	Culture-induced Entrepreneurship Model
EU	-	European Union
FSB	-	Federation of Small Businesses
HC	-	Human Capital
HCR	-	Human Capital Resources
HCT	-	Human Capital Theory
IHF	-	Intangible Human Factors
ONS	-	Office for National Statistics
RVB	-	Resource-based View of the firm
SAEM	-	South Asian Ethnic Minority/Minorities
SCA	-	Sustained/Sustainable Competitive Advantage
SHCR	-	Strategic Human Capital Resources
SME/SMEs	-	Small and Medium Enterprise/Enterprises
UK	-	United Kingdom
US	-	United States

Chapter 1: Introduction

1.1 Research aim and research question

This study aims to explore how people-dependent intangible resources, referred to as Intangible Human Factors (IHF¹) in this study, are perceived to contribute (or not) to business success in ethnic minority small businesses. It is impossible to include all ethnic minority small businesses in one study. Hence, the current research adopts a case study approach - the South Asian ethnic minority small businesses that are dealing in fashion-related items such as textiles, garments, footwear, and related accessories. The case study geographic area consists of six towns from four councils within West Yorkshire (cf. Figure 1).

Figure 1: The case study geography area



Source of the map: The Huddersfield Daily Examiner (2017)

The research question that this case study aims to address is:

How do intangible human factors contribute to business success in ethnic minority small businesses?

¹ The term IHF is defined and explained later in this chapter.

To define the concept of business success, scholars use different terms such as sustained success, long-term success, competitive advantage, sustained competitive advantage, and firm performance (Simpson et al., 2004 ; Soriano and Castrogiovanni, 2012). Some of these notions are considered broader than others. For example, the term performance may refer to financial turnover, net profit, innovation, customer satisfaction, relative market share, survival, or expansion (Hansen and Wernerfelt, 1989 ; Santos and Brito, 2012 ; Saeidi et al., 2015). The concept of business success in this study is understood by participants as the situation in which a net profit is earned from business operations, or the business continues to exist as a potentially profitable business, even if it meets breakeven only at a given point in time due to situations such competition and an economic downturn. The concept of business success is discussed in detail in Chapter 5 in light of the data that were collected and analysed in this study. The motives for choosing the research topic and question are explained next.

1.2 Research motivation/justification

As a practitioner, I am interested to contribute to the field of ethnic minority small businesses through addressing the above research question. I want to explore how owners and managers in ethnic minority small businesses perceive the importance of IHFs in the success of their businesses. Specifically, my choice of the research topic is informed by: (1) a gap in the literature; and (2) the demographics and recent changes in the market conditions in the United Kingdom (UK). These are summarised below, but explained in more detail in Chapters 2 (contextual background) and 3 (literature review).

1.2.1 Gap in the literature

Scholars from strategy and strategic human resource management (e.g., Hatch and Dyer, 2004 ; Barney et al., 2011 ; Crook et al., 2011 ; Maritan and Peteraf, 2011 ; Machlup, 2014 ; Nyberg et al., 2014) argue that people-dependent intangible resources play an important role in achieving and sustaining business success and competitive advantage. Economists (e.g., Schultz, 1961 ; Becker, 1962 ; Blaug, 1976 ; Becker, 1996a ; Goldin, 2016) also make a similar

argument. However, these scholars have traditionally focused on mainstream large organisational settings. There seems to be a general lack of research in small businesses, in general, and ethnic minority small businesses, in particular. For instance, Goldenberg and Kline (1999, p. 365) believed '*there is a paucity of existing theoretical frameworks and data*' regarding the '*perceptions of success and survival of small businesses*.' It still seems to be the case nearly two decades later with few exceptions (e.g., Van Praag, 2003 ; Simpson et al., 2004 ; Reijonen and Komppula, 2007). Even these exceptions rarely deal with the notion of ethnic minority small business success.

Van Praag (2003) investigated business success and survival amongst young White male small business owners in the United States. He focused on person-oriented determinants of self-employment, but did not explore what role, if any, IHFs play in the success of self-employment - a proxy for entrepreneurship or small business ownership (Wang and Altinay, 2012). Simpson et al. (2004) explored the role of education, training, development, prior knowledge, and prior experience in (the mainstream) small service sector businesses in the United States. They felt that further research would develop '*a formal theory of success in a small business context*' (Simpson et al., 2004, p. 490). While Reijonen and Komppula (2007) explored the effects of the perception of non-financial measures of business success on financial performance amongst small business owners in Finland, they did not explore how IHFs contribute to business success.

Light and Dana (2013, p. 604) summarised the general paucity of research in ethnic minority businesses, let alone the usefulness of IHFs, as: '*We examined the 18 issues of Entrepreneurship Theory and Practice, published between 2008 and 2010. Of the 144 articles in these 18 issues, only two dealt with ethnic or racial minorities*.' Millan et al. (2014) found that the level of education of an entrepreneur in the European Union affects the individuals' success, but they did not explore how informally gained forms of people-dependent intangible resources (such as experience and training) affect entrepreneurial and firm performance.

While a limited number of studies attempted to explore the impact of IHFs on business success, they all focused on mainstream small businesses. Little, if anything, is known about IHFs in ethnic minority small businesses. However, another group of scholars attempted to conceptually highlight the role of intangible resources in ethnic minority small businesses, but their focus remained limited to what is known as class and ethnic resources (defined in Appendix 1, also defined and explained in Chapter 3) (Light and Gold, 2000). Some scholars (e.g., McKelvie and Davidsson, 2009) even ignored all micro firms, let alone ethnic minority small firms, believing that such firms would not generate any useful data. Yet, others scholars (e.g., Jones and Ram, 2013 ; Barrett et al., 2002 ; Kloosterman et al., 1999 ; Basu, 1998) have substantially contributed to the field of ethnic minority small business, but their focus remained on how these businesses perform in general.

The study, seemingly closest to the current research, by Chand and Ghorbani (2011) found that ethnic culture has a profound positive effect on the way Indian and Chinese ethnic minority entrepreneurs run their businesses in the US. But they examined the effects of cultural social capital only and omitted other forms of IHFs such as knowledge, experience, training, and education.

It is perhaps a consequence of this apparent gap that Thompson et al. (2010) asked for more specific sectoral-based research to bring out nuances and understand attitudes of specific ethnic minority groups towards entrepreneurship and small business. They were followed by Clark et al. (2015, p. 23), who also asked for '*More detailed sectoral analysis... to shed further light on the extent to which*' self-employment amongst ethnic minority groups in the UK '*can be achieved.*'

This case study takes a step towards addressing the aforementioned gap by exploring how South Asian fashion small businesses perceive the role of IHFs in business success. In doing so, it responds to the limitations identified by other scholars (e.g., Thompson et al., 2010 ; Clark et al., 2015). Besides the gap itself, some demographic factors and market changes appear to make addressing it more urgent now than perhaps ever before.

1.2.2 Demographics and market conditions

Statistics indicate that South Asian ethnic minority leads all other ethnic minorities both in population and entrepreneurial or self-employment or small business representation in the UK. For example, drawing on statistics from Office for National Statistics, Haq (2015, p. 498) argued that the population of people with Bangladeshi, Indian, and Pakistani descent in the UK *'will increase from 2.569 million in 2006 to 6.059 million in 2031 and 10.001 million in 2056, which is equivalent to 4.24%, 8.54% and 12.81% respectively of the total UK population'*, whereas *'British and Irish populations will shrink from 87.1% to 67.1% and 2.5% to 2.1% respectively from 2001 to 2051.'* Moreover, he presented that out of 4.7952 million private sector businesses in the UK in the year 2010, 8% belonged to ethnic minorities *'out of which 46% belonged to Indians whereas 18% and 9% were owned by Pakistanis and Bangladeshis respectively'* (Haq, 2015, p. 499; BIS, 2010).

In addition, having worked for over a decade in this sector, I noticed that there is a feeling of uneasiness amongst owners and managers of South Asian ethnic minority small businesses in and around Bradford, due to saturated competition. The 2008 credit crunch, followed by the recession or economic downturn (hereafter the economic downturn²), perhaps made the competition rife causing decreased sales for these businesses.

These statistics and the developments in the market conditions imply that we need (as researchers) to understand more about how this ethnic minority community (though it may be required in other communities too) approaches self-employment, entrepreneurship, and small business success for at least two reasons. First, this group has the potential of having an unprecedented impact on our economy in the future in the form of entrepreneurs, consumers, and a labour force. Second, understanding these small businesses might help us (policy-makers and practitioners) to understand small business dynamics. This

² I coincidentally happen to interview these participants in the aftermath of the economic downturn that was triggered by the 2008 banking crises, and its effects were still being felt in 2014/15, the time when I was interviewing the participants.

is because, according to Chand and Ghorbani (2011, p. 594), '*the creation of small to medium sized ventures often rises during periods of economic slowdown.*' Van Praag (2003, p. 1) believe that governments generally stimulate self-employment to decrease unemployment, but of every 100 new businesses, only 50% survive the first three years.

In sum, the aforementioned gap, together with the demographic dynamics of South Asians in the UK and the recent economic downturn, which apparently led to the widespread competition, provided an interesting and, potentially, important research opportunity. The research gap is problematised in the form of this research question: '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' Through exploring this research question, this study also unravels how these owners/managers understand the importance of people-dependent intangible resources for the success of their businesses. However, the conceptualisation of people-dependent intangible resources in the existing literature is very complex and confusing. To simplify this concept and to develop a broader understanding of it, at least in this study, I use an alternative term - Intangible Human Factors (IHF).

1.3 Intangible Human Factors

Scholars from different academic fields either used different labels to point to the same type of intangible resources, or the same labels to refer to different types of intangible resources. For example, people-dependent intangible resources are known as class and ethnic resources in ethnic minority entrepreneurship literature (Boissevain et al., 1990 ; Light and Gold, 2000 ; Wang and Altinay, 2012). Strategic entrepreneurship literature broadly calls them human capital (Barney, 1991 ; Wright and McMahan, 2011 ; Hatch and Dyer, 2004), followed by human capital resources and strategic human capital resources (Wright et al., 2014 ; Ployhart et al., 2014 ; Nyberg et al., 2014). The interest from many disciplines, such as strategic management (Hatch and Dyer, 2004 ; Barney et al., 2011 ; Crook et al., 2011 ; Maritan and Peteraf, 2011 ; Machlup, 2014 ; Nyberg et al., 2014), economics (Schultz, 1961 ; Becker, 1962

; Blaug, 1976 ; Becker, 1996a ; Goldin, 2016) and human resource management (Ulrich, 2013 ; Wright and McMahan, 2011 ; Zidan, 2001 ; Guest, 1997 ; Wright et al., 1994), in exploring/investigating the role of intangible resources has resulted in the production of a wide repertoire of vocabulary and jargon, which are often overlapping in conception and or confusing in meaning. See Haq (2016, pp. 264-5) - a copy is attached at the end of this thesis (print version) - for a review of how different scholars have used the notion of the impact of intangible resources on firm performance, and their meanings in different disciplines.

Specifically, on a conceptual level, many scholars, including Wernerfelt (1984), Barney (1991), Wright et al. (1994) and Nyberg et al. (2014), strove to make a compelling case that some intangible resources have superior value for organisations than others because of their valuable, unique, inimitable and non-substitutable characteristics. But their focus remained on specific forms of intangible resources, which they generically called human capital and typically included firm-specific experience, training, education, know-how, and know-what³. Others consider that human capital represents educational levels, which in return is a manifestation of industry-specific knowledge and general business knowledge (Soriano and Castrogiovanni, 2012). Yet others, such as Light and Gold (2000), go as far as considering financial capital as part of human capital, in contrast to Barney (1991) who seems to consider financial capital a part of physical capital. Also, Barney (1991) considers relationships a part of human capital and relations a part of organisational capital, not explaining whether the two are the same concept or different concepts. Therefore, there seems to exist a confusion as to what the term '*human capital*' should or should not include and whether or not other constructs such as knowledge, social capital, and relational capital should be considered as parts of human capital.

In an attempt to provide a more concise theoretical underpinning, Ployhart and Moliterno (2011) labeled these terms collectively as Knowledge, Skills, Abilities, and Other characteristics (KSAOs). But this term too can be challenged

³ The terms know-how and know-what refer to experience-based knowledge and task based knowledge respectively (Ipe, 2003; Liu et al., 2010; Haq, 2016).

because of the Os (Other characteristics), which is very vague as the authors do not precisely explain what the Os stand for. However, it can be assumed that, in theory, the Os can include anything from language skills to social capital and from general physical health to mental health and anything and everything in between. Moreover, in a recent article, Soriano and Castrogiovanni (2012, pp. 333-4) used a similar term '*human capital factors*' in an attempt to '*investigate the effects of entrepreneurial human capital on SME performance*' within the context of mainstream SMEs in the European Union. The term they used, is by no means a substitute for the term I use in this study. They did not define what the term '*human capital factors*' stands for.

In addition, in an even more recent theoretical article Haq (2016) seemed to suggest another alternative term (KSAs - Knowledge, Skills and Abilities) and argued that the term '*Abilities*' should be considered to encompass all kinds of abilities, and capabilities including physical and mental health abilities. The current study challenges that argument too and posits that it may be too simplistic because it fails in clearly spelling out which type of knowledge, skills and abilities one should refer to as a bundle of intangible (human) resources. As an alternative, I offer the term Intangible Human Factors (IHF). The use of this term is an attempt to bring a number of related concepts together and refer to them with one encompassing label. In this spirit the notion of IHFs is conceptualized and defined as:

All people-depended (in other words personal to individuals) intangible (non-financial) resources that have the potential to create value (financial or otherwise) for the person who possesses them and for the organisation the person (or such persons) works for as an owner/employee.

Typically, these factors include education, experience, training, knowledge, relationships, and social capital including cultural and ethnic social capitals. Other intangible resources which were considered but not included in this study are organisational reputation and status of individuals including CEOs and top management teams (Ertug and Castellucci, 2015 ; Roberts and Dowling, 2002)

because they are not typically personal to people. They are as much related to one's position in an organisation, if not more, as they are to one's personal characteristics or traits.

By offering the above phrase and a comprehensive definition of it, I under no circumstance claim that this will help to avoid the use of multiple, yet conflicting, terms to refer to the same concept of intangible resources. Neither do I aim to close, nor narrow down, the debate what should, or should not, be included in the list of intangible resources. However, it is my belief that this term will give me and may be others too, the flexibility to choose a combination of the intangible resources according to specific contexts, while acknowledging certain exclusions in light of the above definition. This study deals with several key concepts, which are defined in Appendix 1. The organisation of the rest of this thesis is as follows.

1.4 Organisation of the thesis

Chapter 2 (contextual background) highlights: the role of SMEs in general; the role of ethnic minority SMEs in the UK with focus on South Asian ethnic minority SMEs in particular; the demographic landscape of South Asian Ethnic Minority (SAEM) population in the UK and in West Yorkshire; and the historical trends of SAEM entrepreneurship in the UK.

Chapter 3 (literature review) discusses the concept of people-dependent intangible resources, referred to as Intangible Human Factors in this study. It analyses the state of the existing knowledge base pertinent to the research question that this study aims to explore and the constructs that are related to IHFs.

Chapter 4 (methodology) begins with a discussion of what social researchers call 'case study' as a research strategy. I collected data from a purposefully selected sample of owners and managers from six towns within the case study area. A total of 33 business owners and 11 employee managers were

interviewed from 40 businesses (one interview was excluded). Inductive thematic analysis of the data resulted in five overarching themes:

- (1) Business success
- (2) Compassionate customer service
- (3) Relationships
- (4) Knowledge, experience, training, and education
- (5) Social and economic factors

Chapters 5 to 9 present findings in the form of the five overarching themes, which emerged from the data analysis. Each chapter develops insights by using illustrative and exemplary quotes from the interview data. These insights are interwoven, and together they develop a coherent argument that leads to the development of the model that is built and presented in Chapter 10. Variations/contradictions in the data are also highlighted in these chapters.

Specifically, Chapter 5 deals with the concept of business success. Chapter 6 highlights the importance of compassionate customer services and how these participants feel they develop long-lasting relationships through providing good customer service in a face-to-face environment. Chapter 7 takes the concept of relationships further, and explores how the participants seem to develop social and instrumental relationships with a variety of external and internal stakeholders. Chapter 8 deals with another three types of IHFs namely, knowledge including knowledge sharing, experience, and training. This chapter also explores how participants expressed mixed views about the importance of academic qualifications for the success of their businesses. Finally, Chapter 9 sheds light on how societal and economic factors, both within this ethnic community and the outside wider society, influence the success of these businesses.

Chapter 10 (discussion) offers a critical analytic account of the findings presented in the preceding five chapters. It offers a conceptualisation of how ethnic minority small business owners and managers perceive business success through a model called '*the culture-induced entrepreneurship model*

(*CIEM*).’ According to this model, ethnic culture and cultural resources seemingly act as driving forces in the success of the sample businesses. Through comparing and contrasting this model with some of the widely used theoretical concepts in ethnic minority entrepreneurship, this chapter endeavours to make an original theoretical contribution to ethnic minority entrepreneurship and extends extant scholarship surrounding the culturalist view and the mixed embeddedness model. This thesis unravels the narrow approach that these businesses have adopted so far, which has the potential of inhibiting their future business success.

Chapter 11 (conclusion) recaps the theoretical contributions of this study and highlights the implications of this study for researchers, practitioners, and policy-makers. Limitations of this study are also discussed along with future research.

Appendices: this last section consists of some auxiliary information, including definitions of key concepts that are relevant to this case study and copies of various documents that were used during data collection. This section also includes examples of how the coding process was carried out. Two review articles, that were written and published in peer-reviewed journals during this study, are also mentioned in this section.

Chapter 2: South Asians in the UK

This chapter highlights South Asian ethnic minority population in the UK, followed by their entrepreneurial success and presumed decline. It concludes with a discussion on recent trends of entrepreneurship and self-employment in this ethnic group. The term South Asian ethnic minority refers to the people living in the UK with ethnic descent from Bangladesh, India, and Pakistan (cf. Appendix 1).

2.1 South Asian ethnic minority population in the UK

Political and cultural relationships began between the people of India and Britain after the establishment of the East India Company by the British Empire in the early seventeenth century in India, first as a trading enterprise but later as a military and administrative force (Knott, 2011). The relationship manifested itself in the form of movement of traders, administrators, and army personnel from Britain to India, and the movement of students, intellectuals, seafarers (Lascars), nannies (Ayahs), politicians, Nawabs, Rajas, and merchants from India to Britain (Knott, 2011 ; Husainy, 2011).

Immigration on a large scale from South Asia to Britain occurred after partition of the Indian subcontinent in 1947, which formed Bangladesh, India, and Pakistan (Husainy, 2011). The so-called '*full employment*' and '*pull incentives*' in the UK economy in the 1950s and 60s attracted a large number of immigrants from ex-British colonies including Bangladesh, India, and Pakistan (Hansen, 2003 ; Lupton et al., 2004). Most of these immigrant workers, especially from Bangladesh and Pakistan, went to smaller towns in Yorkshire and Lancashire to fill the demand for labourers in the 24-hour-operated mills (Lupton et al., 2004). Their families joined them later. This is how South Asians settled in Britain (Simpson et al., 2008).

The second influx of people with South Asian descent came from Kenya and Uganda during the late 1960s and early 70s, when authorities in these countries terminated settlement rights of immigrants, many of them having Indian subcontinent origin (Husainy, 2011). These people were brought to work in the

sugar mills in Africa by the British imperial colonials from the Indian subcontinent in the nineteenth century as indentured labourers to fill the labour shortage that was created due to the abolition of slavery in 1834 (Husainy, 2011 ; National Archives, 2013). Around 5,000 British passport-holder South Asians emigrated to the UK from Kenya in 1968, followed by 21,000 from Uganda in 1971 (Pearson, 2013). Since then the population of South Asians in the UK has grown steadily.

The ethnic minority population of South Asian descent increased from 0.23% of the total UK population in 1961 to 4% in 2001 (Ballard, 2004). Out of the 4%, 2.7% were of Indian origin whereas those of Pakistani and Bangladeshi descent were 1.5% and 0.5% respectively (Pearson, 2013). According to the UK Census 2001, the South Asian population in the UK grew from under 1.5 million in 1991 to over 2 million in 2001 (Ballard, 2004 ; Pearson, 2013). The increment is attributed to three factors: increased immigration mainly because of family reunion; increased birth rate; and decreased death rate (Ballard, 2004). The most rapid increase happened amongst the Bangladeshi community (74%), followed by the Pakistanis (57%), whereas the Indian ethnic minority population increased by 24% (Ballard, 2004). The UK Census 2011 reveals that people from Indian, Pakistani, and Bangladeshi origin increased from 2%, 1.4% and 0.5% in 2001 (BBC, 2011 ; Census, 2001) to 2.5%, 2.0%, and 0.8% respectively (ONS, 2012), a combined increase of 5.3%, higher than other ethnic groups.

The forecast suggests that Indian, Pakistani and Bangladeshi population in the UK will reach 3.172 million, 2.074 million and 0.813 million by 2031 and then 5.318 million, 3.386 million and 1.297 million respectively by 2056 (Coleman, 2010). These figures would represent 4.47%, 2.92%, and 1.15% of the total UK population by 2031, and 6.81%, 4.34%, and 1.66% by the year 2056 respectively (cf. Table 1) (Coleman, 2010). The forecast also suggests that the overall White British population will decrease from 86.87% of the total UK population in 2006 to 71.56% by 2031 and then to 56.03% by 2056 (cf. Table 1).

Table 1: Ethnic minority population forecast in the UK

Ethnic Groups	Population in 2006		Population in 2031		Population in 2056	
	Numbers	%	Numbers	%	Numbers	%
Indian	1,295,000	2.14	3,172,000	4.47	5,318,000	6.81
Pakistanis	924,000	1.53	2,074,000	2.92	3,386,000	4.34
Bangladeshis	350,000	0.58	813,000	1.15	1,297,000	1.66
Black Caribbean	596,000	0.98	737,000	1.04	812,000	1.04
Black African	707,000	1.17	2,093,000	2.95	3,769,000	4.83
Chinese	414,000	0.68	1,177,000	1.66	2,025,000	2.59
White British	52,629,000	86.87	50,763,000	71.56	43,726,000	56.03
Others	3,672,000	6.05	10,107,000	14.25	17,714,000	22.70
Total UK	60,587,000	100.00	70,936,000	100.00	78,047,000	100.00

Copied from: Haq (2015, p. 498)

The predictions made by Coleman (2010) are supported by the findings of a study of 352 local authorities in England - the non-White ethnic minorities will be 20% of the total UK population by 2051, an increase from 8% in 2001; and White British and Irish populations will shrink from 87.1% to 67.1% and 2.5% to 2.1% respectively between 2001 and 2051 (Leeds.ac.uk, 2010 ; BBC, 2010). Other White groups are expected to increase from 2.5% in 2001 to 9.9% by 2051 (Tran, 2010), perhaps due to the European Union enlargement (at the time when these studies were conducted). During this period, the South Asian ethnic population is expected to increase more rapidly than others (Leeds.ac.uk, 2010 ; BBC, 2010). The entrepreneurial presence of South Asians in the UK portrays a similar picture.

2.2 South Asian entrepreneurship in the UK

South Asians came to the UK on a large scale on two occasions, in the 1950s and 60s typically to fill the labour shortage, and in the late 1960s and early 70s from Kenya and Uganda (already mentioned). Whatever were the reasons, they came without any substantial amount of money, but with a spirit to be successful in a foreign land where finance, language, and availability of well-paid jobs were serious problems they faced (Basu, 1998). By the late 1980s they were in the ownership of around one-third of the independent retail outlets (Basu, 1998 ; Jones and Ram, 2003). This achievement was applauded by distinguished individuals and the media (Jones and Ram, 2003).

Their entrepreneurial success was acknowledged in the 1991 Census, where it was revealed that 7.21% employment in the SME industry was offered by SAEM SMEs compared with 3.89% employment offered by SMEs belonging to the mainstream White community (Basu, 1998). This trend continued until the late 1990s, when a period of slow growth was experienced by almost all businesses in OECD countries (Blanchflower, 2004). While this downturn hit Asian businesses harder than the mainstream enterprises because Asian businesses were already involved in low value and subsistence entrepreneurship, they managed to maintain their superiority in self-employment (Jones and Ram, 2003). This success was attributed to favouring conditions such as the increased trend of subcontracting in the manufacturing industry and the eating-out lifestyle changes amongst masses with a preference to South Asian traditional cuisine (Jones and Ram, 2003). Consequently, South Asian curry houses in the UK increased from around 1,000 in the 1970s to around 8,300 in 1998 and their combined gross turnover in 1999 was recorded as £1.73 billion (Jones and Ram, 2003). Some researchers, however, dispute the apparent historical success of South Asian small businesses.

2.3 Historical decline of South Asian entrepreneurship

Some scholars have argued that the successful SAEM businesses in the UK are not a representative sample because unemployment, underemployment, and outright poverty are still common in this community (Brah, 1996). Others highlighted the decline of South Asian businesses and argued that after the 1990s they struggled to survive, because of two reasons, according to Jones and Ram (2003).

First, a large part of their market share was taken away by the rapid growth of the large supermarkets. Second, the introduction of forecourt retailers in the motorway service stations and petrol stations made success for these small businesses more difficult and caused their quantitative decline. The repeal of the 1950 Shops Act in 1994, which allowed all shops/supermarkets to operate on Sundays and/or 24 hours a day during weekdays, made the quantitative decline of small businesses, including those owned by South Asians (Jones and

Ram, 2003). However, scholars do not consider this quantitative decline a failure per se.

2.4 Recent trends of South Asian entrepreneurship

The total number of private sector businesses in the UK increased from around 3.5 million in 2000 to around 4.8 million in 2010 (cf. Table 2 below) (Rhodes, 2013), which is an increase of about 40%. According to BIS (2012) and FSB (2013), 99.9% of these businesses belong to SMEs, whose combined contribution was 34.4% of the total private sector turnover, and they accounted for nearly half of all private sector employment. According to CREME (2013), ethnic minority enterprises contribute an estimated £25 to £32 billion each year to the UK economy. A recent survey revealed that 10% of small businesses employing people are owned by ethnic minority groups in England (Whitehead et al., 2006). Another survey showed that ethnic minority small businesses in the UK are more likely to export and are more profitable than mainstream small businesses (Bank of England, 1999). A more recent survey in the US found that ethnic minority entrepreneurship is almost double (0.53%) than the mainstream White persons' entrepreneurship (0.28%) (Chand and Ghorbani, 2011). The same survey shows that between 1996 and 2008 Asian American ethnic minority entrepreneurship increased from 0.29% to 0.35%, whereas entrepreneurship owned by White persons decreased from 0.33% to 0.31%, and that of the Black Americans only increased from 0.21% to 0.22%.

These figures show that while the rates of entrepreneurship amongst ethnic minorities may vary from one context to another, the entrepreneurial journey of South Asians continues to be an upward phenomenon. For example, out of the 4.8 million total SMEs in the UK (mentioned above), it is estimated that 8% belong to ethnic minorities, out of which 46% are managed or owned by Indians, 18% by Pakistanis and 16% by black Caribbean and Africans together (BIS, 2010). Statistics also indicate that ethnic minority business prospects in the UK are encouraging because in spite of the recent financial downturn, 60% of them maintained pre-recession staffing levels, 21% even employed more, and only 19% employed fewer people (BIS, 2011). Moreover, 56% of them

expected to maintain the same staffing levels, 25% hoped to employ more, while only 18% expected to employ fewer staff (BIS, 2011). These figures show a continued positive-growth pattern of ethnic minority businesses (as shown in the following tables), even during a period when several mainstream businesses experienced inevitable squeeze.

Table 2: Ethnic Minority SMEs in the UK and ethnicity of their directors/partners (in numbers, 2001 Census Data)

Survey	Total private sector enterprises in the UK	Total SMEs in the UK	Ethnic minority SMEs	Ethnicity of directors/partners					
				Indian	Pakistani	Bangladeshi	Caribbean	African	Chinese
2006/07	4,500,000	4,495,500	359,640	161,838	53,946	7,193	7,193	14,386	25,175
2007/08	4,680,000	4,675,320	374,026	164,571	71,065	11,221	37,403	18,701	22,442
2010	4,800,000	4,795,200	383,616	176,463	69,051	34,525	23,017	34,525	15,345
2012	4,799,400	4,794,601	335,622	83,906	57,056	3,356	20,137	20,137	30,206

Table 3: Ethnic Minority SMEs in the UK and ethnicity of their directors/partners (in percentage, 2001 Census Data)

Survey	Total private sector enterprises in the UK	Total SMEs in the UK	Ethnic minority SMEs	Ethnicity of directors/partners					
				Indian	Pakistani	Bangladeshi	Caribbean	African	Chinese
2006/07	4.50 million	99.9%	8%	45%	15%	2%	2%	4%	7%
2007/08	4.68 million	99.9%	8%	44%	19%	3%	10%	5%	6%
2010	4.8 million	99.9%	8%	46%	18%	9%	6%	9%	4%
2012	4.7994 million	99.9%	7%	25%	17%	1%	6%	6%	9%

Sources: (BIS, 2009 ; BIS, 2011 ; BIS, 2013); Copied from: Haq (2015, p. 499)

The above tables show that SAEM SMEs in the UK dominate ethnic minority owned/managed SMEs from 2006 to 2012, but there is a big drop in 2012 compared with the previous two years. During this period (2006/12), the number of SMEs owned/managed by Pakistanis remained relatively high, whereas those of Indians and Bangladeshis have dropped. The relative stability of Pakistani SMEs and the drop of Indian SMEs confirm past research. Most Indians, in contrast to many other ethnic groups, including Pakistanis, have switched from self-employment to highly-paid jobs in the mainstream job market, thanks to their high levels of (UK earned) education (Jones and Ram, 2003 ; Jones et al., 2012).

Specifically, according to Clark and Drinkwater (2010), as of 2003/06 the rates of self-employment for Indian males fall from 23.7% to 21.4%, whereas it was recorded highest amongst Pakistani men (31.1%) among eight ethnic groups - White, Black Caribbean, Black African, Indian, Pakistani, Bangladeshi, Chinese, and Others. As for Bangladeshis, their self-employment rate increased from 18.8% in 1991 to 19.1% in 2001 and then decreased to 15.7% in 2003/06 (Clark and Drinkwater, 2010). The 2011 Census data showed a similar pattern, i.e., self-employment amongst Indian, Pakistani, and Bangladeshi men changed from 21.4%, 31.1% and 19.1% in 2001 to 19.8%, 31.9% and 20.5% in 2011 (Clark and Drinkwater, 2010 ; Clark et al., 2015), confirming it remained highest amongst Pakistani men. Self-employment among women from 1991 to 2001 narrowed overall for all three South Asian ethnic groups (Clark and Drinkwater, 2010). However, it decreased from 10.3% to 10% among Indians, but increased from 9.9% and 5.9% to 10.6% and 7.3% for Pakistani and Bangladeshi women respectively (Clark and Drinkwater, 2007 ; Clark et al., 2015).

Besides the UK-wide picture, self-employment of Pakistani origin individuals is highest in Bradford (7013 or 22.09%), Leeds (1980 or 5%), Calderdale (873 or 6%) and Kirklees (3173 or 11%) (cf. Table 4). Overall, self-employment of Pakistani descent people in these towns is 11.21%, followed by Indians and other White people (3.57% and 2.47%, respectively), excluding the main White community which is 76.20%.

Table 4: Self-employed individuals of ethnic groups of age 16 and over in West Yorkshire (2001 Census Data)

Ethnic Group	Bradford	Leeds	Calderdale	Kirklees	Total	Percentage
White:						
English/Welsh/Scottish/Northern Irish/British	20,594.00	34,295.00	12,452.00	21,306.00	88,647.00	76.20
White: Irish	158.00	461.00	125.00	160.00	904.00	0.78
White: Gypsy or Irish Travellers	27.00	44.00	10.00	19.00	100.00	0.09
White: Other White	780.00	1,363.00	261.00	466.00	2,870.00	2.47
Mixed/multiple ethnic group: White and Black Caribbean	187.00	213.00	42.00	126.00	568.00	0.49
Mixed/multiple ethnic group: White and Black African	28.00	68.00	7.00	13.00	116.00	0.10
Mixed/multiple ethnic group: White and Asian	122.00	182.00	47.00	84.00	435.00	0.37
Mixed/multiple ethnic group: Other Mixed	79.00	105.00	37.00	59.00	280.00	0.24
Asian/Asian British: Indian	1,047.00	1,466.00	128.00	1,507.00	4,148.00	3.57

Asian/Asian British: Pakistani	7,013.00	1,980.00	873.00	3,173.00	13,039.00	11.21
Asian/Asian British: Bangladeshi	316.00	182.00	16.00	17.00	531.00	0.46
Asian/Asian British: Chinese	178.00	430.00	58.00	140.00	806.00	0.69
Asian/Asian British: Other Asian	495.00	594.00	47.00	192.00	1,328.00	1.14
Black/African/Caribbean/Black British: African	139.00	365.00	17.00	58.00	579.00	0.50
Black/African/Caribbean/Black British: Caribbean	186.00	285.00	35.00	225.00	731.00	0.63
Black/African/Caribbean/Black British: Other Black	27.00	158.00	9.00	23.00	217.00	0.19
Other ethnic group: Arab	110.00	124.00	7.00	36.00	277.00	0.24
Other ethnic group: Any other ethnic group	265.00	341.00	32.00	119.00	757.00	0.65
Total	31,751.00	42,656.00	14,203.00	27,723.00	116,333.00	100.00

Source: (Nomis, 2013).

Self-employment in England and Wales among these ethnic communities shows a similar entrepreneurial picture (cf. Table 5). In short, South Asian ethnic minority entrepreneurship in the UK continues to be a growing phenomenon (cf. Tables 4 and 5), therefore, is worth researching.

Table 5: Self-employed individuals of ethnic groups of age 16 and over in England and Wales (2001 Census Data)

Ethnic Group	Total Self-employed	Percentage of total
White: English/Welsh/Scottish/Northern Irish/British	3,254,197	80.46
White: Irish	45,866	1.13
White: Gypsy or Irish Travellers	4,685	0.12
White: Other White	269,618	6.67
Mixed/multiple ethnic group: White and Black Caribbean	14,114	0.35
Mixed/multiple ethnic group: White and Black African	6,162	0.15
Mixed/multiple ethnic group: White and Asian	15,155	0.37
Mixed/multiple ethnic group: Other Mixed	14,666	0.36
Asian/Asian British: Indian	107,487	2.66
Asian/Asian British: Pakistani	84,145	2.08
Asian/Asian British: Bangladeshi	20,154	0.50
Asian/Asian British: Chinese	31,863	0.79
Asian/Asian British: Other Asian	53,157	1.31
Black/African/Caribbean/Black British: African	42,625	1.05
Black/African/Caribbean/Black British: Caribbean	29,972	0.74
Black/African/Caribbean/Black British: Other Black	10,867	0.27
Other ethnic group: Arab	12,079	0.30
Other ethnic group: Any other ethnic group	27,501	0.68
Total	4,044,313	100.00

Source: (Nomis, 2013).

The following section further highlights the shift from self-employment to paid-employment, specifically amongst British Indians.

2.5 A shift from self-employment to paid-employment

The number of self-employed persons within the South Asian community in the UK, more so among people of Indian descent than other South Asians, started declining in the 1970s and continues till today, which might seem a failure at face value, but is actually a success of another kind (Jones et al., 2012 ; Jones and Ram, 2003 ; Clark and Drinkwater, 2000). This shift is contributed to two interrelated factors.

First, around half of the total British Indians are British-born (Jones et al., 2012), who do not face the same, or a similar, level of discrimination in the labour market as their parents did because of their UK-specific qualifications and skills (Jones and Ram, 2003 ; Clark and Drinkwater, 2010). Second, the participation rates of this new breed in post-compulsory education is far greater than even the native White community (Jones and Ram, 2003), let alone their Pakistani and Bangladeshi counterparts (Basu, 1998 ; Clark and Drinkwater, 2010). A comparison of educational attainment between British Indians and the native White community is given in Table 6.

Table 6: Self-employment Indians and native white community in the UK

Self-employment (in percentage)			Level of Qualification in 2006 (in percentage)			England domiciled accepted applicants for full time undergraduate courses in 2007 from low socio-economic groups, 4-7 (in percentage)	
Years	Indian	White	Levels	Indian	White	Indian	White
1979/83	13.8	8.8	Level 4-6	24.0	22.0	43.0	30.0
1989/91	20.2	13.0	Level 7-8	9.0	6.0		
1993	18.0	13.0	Level 4-8	23.0	28.0		
1994/05	16.0	13.0					
1995/06	14.0	12.0					
2007	8.0	9.0					

Qualification levels: 4 = Certificate; 5 = Diploma/Foundation Degree; 6 = BA/BSc; 7 = MA/MSc; 8 = Ph. D.
Sources: (Jones et al., 2012 ; Jones and Ram, 2013).

As shown in Table 6 above, the level of self-employment amongst the mainstream (White) community increased from 8.8% in 1979/83 to 13.0% in 1989/91, remained unchanged until after 1994/2005, then decreased for the next more than a decade. Likewise, it increased from 13.8% in 1979/83 to 20.2% in 1989/91 amongst Indians, and then decreased continuously for the

next more than a decade. It decreased to the lowest ever levels of 9% and 8% for both the White and Indian communities respectively by 2007. In contrast to self-employment, the overall participation in higher education amongst Indians increased. They outperformed their White counterparts, especially in the higher education among the low socio-economic groups (Jones et al., 2012), i.e., 43% compared to 30% respectively.

With regard to (better-paid) employment, according to Jones et al. (2012), the number of salaried White-collar workers amongst Indians increased from 25.89% (men) and 17.88% (women) in 1972/82 to 36.95% (men) and 29.24% (women) in 1994/2004. White-collar employment amongst White professionals during this period shows a similar increase, except for women. Salaried employment for White women increased from 16.79% during 1972/82 to 33.9% during 1994/2004, which is a bigger increase compared with the employment for Indian women (29.24%). However, the significant change in employment took place amongst Indian men as it increased from 20.44% to 26.01% in intermediate work, whereas it decreased from 53.37% to 37.40% in the low skilled labour work during the same period. Thus, the British Indian community has widened their opportunities by achieving higher levels of qualifications and have preferred better paid-employment over long hours of self-employment with low earnings per hour.

2.6 Chapter summary

Although SAEM entrepreneurship declined since it reached its peak in the 1990s, it still leads the race amongst all ethnic minorities in the UK, in proportion to their population growth. While their success is an encouraging story, the evidence comes from big metropolitan centres only, mostly from Greater London, Birmingham, and surrounding areas (Basu and Altinay, 2002 ; Basu, 1998 ; Basu, 2011). Also, it may be argued, based on statistics, that this ethnic community in other regions, such as West Yorkshire, ostensibly operates various successful enterprises. But, there is no empirical evidence, including in the already researched bigger cities, as to what factors are responsible for their apparent business success. Therefore, there is a need (and scope) for an

empirical enquiry into these businesses in terms of how they perceive business success and what factors they discern important for entrepreneurial and small business success. This gap is already highlighted in the previous chapter and will be further qualified in the next chapter, which also articulates some of the contemporary themes that are being debated in the ethnic minority entrepreneurship literature.

Chapter 3: Literature review

This chapter reviews scholarship surrounding entrepreneurship, in general, and ethnic minority entrepreneurship/small business, in particular. It discusses some of the major theoretical debates in this area of literature, including those related to this thesis's theoretical underpinnings, i.e., the culturalist view and the mixed embeddedness model of ethnic minority entrepreneurship. The chapter then discusses various class, ethnic and intangible resources, and prepares the way for the data analysis.

3.1 A general overview of entrepreneurship

Entrepreneurs are persons who have '*a propensity toward risk-taking, high achievement, or an internal locus of control, are thought to be leaders of innovation or catalysts who provide the "spark" for economic growth and development*' (Lee and Peterson, 2001, p. 402). According to Uhlaner et al. (2012, p. 2), '*the essence of entrepreneurship is the pursuit of increasing the value of a business's assets by seeking out and/or creating new business opportunities.*' As to why people become entrepreneurs, scholars (such as Basu, 1998 ; Dana et al., 2009 ; McPherson, 2010 ; Dyer and Handler, 1994 ; Clark and Drinkwater, 2010 ; Hamilton et al., 2008 ; Pio and Dana, 2014) have provided many reasons, which Haq (2015, p. 502) has summarised as:

... non-for-profit motives... self-esteem... desire for conquering new markets and or earning fame through business success in a new venture or filling a gap in the market which could be beneficial for consumers... to keep their family members together and in employment through a coordinated family strategy... and to gain social status in their community...

Not all enterprises that are established and operated by immigrants can be called ethnic minority entrepreneurship. Some can be categorised as international or transnational entrepreneurship. The former refers to businesses carried out by people (including immigrants) across national boundaries; the latter to businesses carried out by people who emigrate from one country to

another for business purposes and maintain businesses in both countries (Drori et al., 2009).

Ethnic minority entrepreneurship points to business activities of immigrants who share a common cultural heritage with their customers and/or suppliers (Drori et al., 2009 ; Light and Gold, 2000). 'Ethnic minority' is not the same as 'immigrant', although the two terms are used interchangeably. Immigrants are typically people who have recently emigrated from one country to another and have not yet received nationality or the equivalent status in the host country (Volery, 2007). 'Ethnic minority' refers to a segment who are in the minority in a society and who share a common culture that is different from that of the mainstream society in the same time and space (Yinger, 1985 ; Volery, 2007).

Culture is defined as: *'the collective programming of the mind distinguishing the members of one group or category of people from others'* (Hofstede, 1993, p. 89). According to Thomas (2003, pp. 24-25), *'Culture is... an organized system of values, attitudes, beliefs, and meanings that are related to each other and to the environmental context... culture is something that a group has in common that is not normally available to people outside the group.'* Based on this conception of culture, this thesis defines an ethnic minority group as:

A group of immigrant people who come from a particular region/country with a common cultural heritage to another region/country, irrespective of their legal status in the host society. For the sake of argument, the local/host country born/bred descendants of immigrant people are also considered immigrants in this thesis.

Underpinned by the above definition, it is believed in this thesis that ethnic minority entrepreneurs are different from international/transnational entrepreneurs. The latter are economic-opportunity-seeking individuals whose mobility is informed by a desire for economic gains. In contrast, ethnic minority individuals, who later may become entrepreneurs, typically find themselves emigrating to another country due to either: (a) disasters, political instability, or other unfriendly conditions in the country of origin; and/or (b) as a family reunion

(Light and Gold, 2000 ; Ibrahim and Galt, 2011); and/or (c) in pursuit of better-paid work than in the country of origin (Porumbescu, 2015).

Ethnic entrepreneurial activities are diverse and can be categorised into three groups: ethnic ownership, ethnic enclave and ethnic controlled economies (Light and Gold, 2000). The last type is not discussed further in this thesis because it is a sub-sector of the mainstream general economy, where the ethnic workforce exercises a considerable amount of power for their own benefit. The enclave economy is related to the current study, to some extent, because it deals with ethnic businesses, but it predominantly focuses on a segment of the mainstream economy. Hence, this thesis focuses on the ethnic ownership economy, which consists of businesses that are owned and managed by ethnic minority group members. The next section discusses the current major debates in ethnic minority entrepreneurship/small business literature.

3.2 Relevant theoretical models/concepts

The extant literature surrounding ethnic minority entrepreneurship employs any of the six widely used theoretical models, or a combination of them, to explain ethnic minority entrepreneurship. These are the enclave theory, the middlemen theory, the interactive model, the mixed embeddedness model, the market disadvantage theory, and the culturalist view, which are discussed next in turn.

3.2.1 The enclave theory

In a literature review of ethnic economies, Portes and Manning (2012, p. 210) concluded that three conditions need to be met for an ethnic enclave economy to come into existence: *'first, the presence of a substantial number of immigrants, with business experience acquired in the sending country; second, the availability of sources of capital; and third, the availability of sources of labor.'* Volery (2007, p. 32) believes that according to the enclave theory an *'Ethnic business typically starts when an entrepreneur begins serving other members of the ethnic community and satisfies their specific ethnic needs'* in a

particular place. Thus, an ethnic minority enclave economy is comprised of ethnic business owners, coethnic workers, and coethnic customers.

However, the ethnic enclave economy focuses on a specific sector from within the general economy (Portes and Shafer, 2007 ; Volery, 2007). Moreover, it is an ethnic employment sector within the general economy (Light et al., 1994). Therefore, it may be implied that the business ownership and decision-making in ethnic enclave economies is not the monopoly of coethnic people. In some cases, it may be in the hands of individuals who do not belong to the ethnic minority. Hence, the enclave economy overlaps between the ethnic ownership economy and the general economy (Zhou, 2009, pp. 3).

While *'Enclave businesses typically start small and cater exclusively to an ethnic clientele'* base (Portes and Manning, 2012, p. 210), ethnic enclave businesses do not remain ethnic/small forever. Commercially successful ethnic enclave businesses may eventually melt into, and become part of, the mainstream economy over several generational phases. Examples may include, Russian Jews in Manhattan' Cubans in Florida (Light et al., 1994), and Japanese and South Koreans in California (Portes and Manning, 2012). However, this may not always be the case, because some ethnic groups maintain distinctive racial differences from the mainstream community. For example, the Arabs in the US (Light and Gold, 2000).

The basic nature of an ethnic enclave economy is that it requires locational clustering of firms and economic interdependence of the business owners and the employees that work in these firms (Light et al., 1994 ; Arrighetti et al., 2014). This interdependence makes the enclave economy a special form of the ethnic economy, which according to Zhou (2009, pp. 2-3), *'consists of a wide range of diverse economic activities that exceed the limits of small-scale trade and commerce and traditional mom-and-pop operations, and also contains ethnic institutions that mediate economic action.'*

The spatial concentration and proximity of the enclave economy brings three specific tangible benefits for the businesses. These are: first, the masses in the

enclave create a ready market/customer base; second, the proximity of the business owners and their coethnic fellows '*facilitates exchange of information, access to credit, and other supportive activities*'; and third, the local ethnic community provides the necessary labour pool, which the businesses heavily depend on (Portes and Manning, 2012, p. 211). Thus, it can be said that the enclave economy does not represent entrepreneurial activities only, it can also be used to determine the aggregate income of all employed and self-employed (who also employ others) ethnic people in an enclave. However, it typically excludes the self-employed who do not offer employment to others (Light et al., 1994).

3.2.2 The middlemen theory

The middlemen refer to individuals, families, or groups from within the ethnic minority group who have been traditionally traders in their countries of origin and who continue to be traders in the country they have migrated to (Light and Gold, 2000). The middlemen theory, typically, argues that some ethnic people act as middlemen between their countries of origin and the host country by buying products in one country and selling them in the other (Drori et al., 2009 ; Ibrahim and Galt, 2011). The middlemen also refer to ethnic minority entrepreneurs who fill a gap in the less-profitable niche markets, left vacant by the core mainstream firms, thus, they '*act as middlemen to bridge markets, selling mainstream products to enclaves [and vice versa]*' (Greve and Salaff, 2005, p. 8).

Historically, the concept of middlemen trading has been associated with specialist societies or groups who dominate a particular trading line, whether within an ethnic group or across groups (Waldinger et al., 1990b). Therefore, entrepreneurs that may fall in this category are typically not marginalised ethnic minority individuals or groups. They are, rather, those who see and seize economic opportunities in the country to which they emigrate or visit (Kloosterman and Rath, 2001).

Like the ethnic enclave economy, the middlemen economy also has characteristics of ethnic community solidarity. However, unlike the enclave entrepreneurs, who do not have exclusively commercial attitudes, the middlemen mediate commercial activities between the elite and the masses and their economic interests are not shaped by either the general economy or the ethnic group, but by their own profit-seeking motives (Portes and Manning, 2012).

3.2.3 The interactive model

This model argues that ethnic communities have their own unique needs, which create opportunities for those who have entrepreneurial attitudes. It is also based on the perception that the coethnic entrepreneurs can understand the needs of the coethnic communities better than others including entrepreneurs from the mainstream community (Volery, 2007). The greater the difference between the cultures of the ethnic community and the mainstream community, the greater these opportunities are for the ethnic entrepreneurs (Volery, 2007 ; Pütz, 2003).

Accordingly, ethnic minority entrepreneurship is a dynamic situation that depends on opportunity structures and group resources (Volery, 2007 ; Waldinger et al., 1990a). Opportunity structures refer to the opportunities that are created by the external economic, political, institutional, and social environments in the host country, whereas group resources refer to ethnic resources such as culture, cultural manifestations and ethnic social networks (Volery, 2007). Thus, according to this model, ethnic minority entrepreneurship cannot be explained using any single characteristics of individuals or groups of individuals, because the interaction between the opportunity structures and ethnic resources is a continuous process. They can influence the nature and value of each other. For example, an increase in ethnic population in the host country can create more demand for ethnic products which itself can affect economic conditions, specifically for the ethnic group in that host country. Like the concept of the interactive model, the mixed embeddedness model explains the notion of opportunity structure and agency, but in greater detail.

3.2.4 The mixed embeddedness model

The term embeddedness in entrepreneurship is borrowed from the work about trade and markets in the 1950s by Karl Polanyi and his colleagues (Portes and Sensenbrenner, 1993). Embeddedness is underpinned by the understanding that economic activities of a business are embedded (engrained) in non-economic institutional contexts including religion, culture, politics, and social networks in which the business functions.

In the context of ethnic entrepreneurship, mixed embeddedness refers to the extent that ethnic minority economic activity is embedded in the social structures of the ethnic group as well as the wider host society/country (Kloosterman et al., 1999 ; Kloosterman, 2010 ; Jones et al., 2014 ; Kloosterman and Rath, 2006). Its proponents argue that opportunities do not always exist and equally accessible to all in a given context (Kloosterman, 2010 ; Kloosterman et al., 1999 ; Barrett et al., 2002 ; Kloosterman and Rath, 2001). Rather, the creation and realisation of opportunity structures are deeply embedded in both the local and wider societal aspects, as explained by Lee and Peterson (2001, pp. 402-3):

... factors such as family and support systems, financial resources, local community, and government agencies can potentially affect entrepreneurial activity... [moreover] societal factors such as cultural, economic, political, and social forces can combine to create threats or opportunities in the environments where entrepreneurs operate.

Therefore, it may be argued that the success of ethnic minority enterprises does not only depend on the characteristics and resources of the local ethnic community networks, but also on the opportunity structures that are created by the external environmental factors. It may also be said that the opportunity structures that are made available for ethnic minority businesses in one country are not comparable to another, because the opportunities available to them and the threats they face are dependent on time and space. Alternatively, the

resources and opportunities that the ethnic community and the wider society create may not always be the same everywhere, because the legal and economic regulations may sharply vary from one country or region to another. For example, the UK provides far better start-up opportunities to immigrants than countries in continental Europe (Barrett et al., 2002). Immigrant-friendly laws, loosely regulated legal and economic policies, such as permits to operate a business in a certain sector, and economic incentives in certain geographic areas may encourage immigrants to be involved in entrepreneurship (Kloosterman, 2010).

In addition, the opportunities that can be accessible to ethnic minority entrepreneurs may vary from one city/region to another, let alone from one country to another, depending on the strength and concentration of ethnic communities and networks. For example, the entrepreneurial activity of South Asians in Bradford is far greater than Wakefield, due to their greater population in Bradford (Nomis, 2013).

The mixed embeddedness model is criticised for two reasons. First, since it is considered a fuzzy concept, it only offers a descriptive account of the phenomenon and lacks the ability to define, conceptualise, and validate a social problem precisely (Razin, 2002). However, it is probably true with other models too (some of them have been discussed above and some of them are discussed below). Thus, none of these models alone is, perhaps, able to explain precisely how ethnic minority businesses operate. Second, the social networks may not work the way mixed embeddedness portrays them. For example, the mixed embeddedness view seemingly assumes that ethnic networks in a locality create ethnic resources, which add value to, or facilitate, ethnic businesses. This may not always be the case, because inter-business and interpersonal rivalries may exist abundantly among ethnic business communities - hampering the operations and performance of their businesses.

3.2.5 The market disadvantage theory

This theory, also called the structuralist view or push factors model, posits that *'individuals who have no real chance of becoming employed are pushed into self-employment'* (Volery, 2007, p. 32). Moreover, self-employment is considered as the last resort to survive and avoid potentially undesirable outcomes such as unemployment or underemployment (Basu, 1998 ; Chaudhry and Crick, 2003 ; Ibrahim and Galt, 2003 ; Pio and Dana, 2014) because of push factors (Jones and Ram, 2003 ; Dennis, 1996) such as discrimination in the job market (Basu, 1998 ; Sanders and Nee, 1996).

According to Blanchflower (2004), ethnic minorities in the UK are more likely to start their own business than the indigenous population. They experience discrimination in all fields of life, including in the labour market, due to lack of education and poor English language skills (Robinson, 2005 ; Jones and Ram, 2003). Illegal immigrants also adopt this route to avoid detection more easily (Blanchflower, 2004 ; Clark and Drinkwater, 2010). Similarly, foreign earned education (human capital, in other words) of immigrants is not valued as highly as locally earned education, which pushes immigrants towards self-employment (Sanders and Nee, 1996 ; Simoes et al., 2016). Those who believe in the culturalist view argue otherwise.

3.2.6 The culturalist view

The premise of the culturalist view, also known as the cultural theory or pull factors model, is that: *'individuals who are 'pulled' into self-employment... [are] attracted by the rewards and independence that it offers'* (Volery, 2007, p. 32). People are attracted towards self-employment because of: social acceptability; greater independence; keeping rewards of their efforts to their own-self; (re)claiming self-esteem; and/or they have resources available (such as finance and expertise) to start and support a business (Clark and Drinkwater, 2010 ; Brah, 1996 ; Jones and Ram, 2010).

Particularly, some people get involved in entrepreneurial activities because they can achieve higher success levels than being in employment (McPherson,

2010). Others want to keep their families together through coordinated family business activities (Dyer and Handler, 1994 ; Dhaliwal and Adcroft, 2005). The desire for self-sufficiency, which is facilitated through expertise and financial resources from knowledgeable and resourceful family or community members, also leads to entrepreneurship (Basu, 1998). Some people find themselves selling ethnic products in their local marketplaces, because they want their ethnic culture to remain in practice in the host countries (Carter et al., 2013). Thus, they practice their culture, in addition to promoting its virtues.

While the aforementioned theoretical frameworks explain ethnic minority entrepreneurship in their own right, they are not discrete concepts. There is a great deal of overlap between them. For example, both the interactive and mixed embeddedness models essentially deal with opportunity structures and resources. There are similarities between the structuralist view and the mixed embeddedness model, i.e., they deal with the impact of structural factors on ethnic minority entrepreneurship. The middlemen theory has resemblance with the culturalist view. Also, the enclave and the middlemen theory have similarities. Besides these six concepts, this chapter highlights two other frameworks. These are the human capital theory and the resource-based view, which help to understand the role of intangible resources, according to the strategic entrepreneurship scholarship.

3.2.7 The human capital theory

The concept of human capital (HC) emanated in the early seventeenth century from works of scholars who had interest in finance and economics, such as William Petty (1623-1687), Adam Smith (1723-1790), von Thunen (1783-1850), and William Farr (1807-1883) (Kiker, 1966 ; Blaug, 1976 ; Baptiste, 2001 ; Haq, 2016). However, human capital theory (HCT) as an organised discipline of knowledge started only in the 1950s and 60s (Blaug, 1976 ; Baptiste, 2001 ; Lazear, 2009 ; Tan, 2014 ; Machlup, 2014) when some scholars argued that HC is at least as useful as other forms of capital such as land, money, and machinery (Mincer, 1958 ; Schultz, 1961 ; Becker, 1962 ; Livingstone, 1997 ; Blaug, 1976).

Over the years, various scholars have attributed HC to the achievement of above average performance and success of organisations (Baptiste, 2001 ; Becker, 1962 ; Coleman, 1988 ; Fulmer and Ployhart, 2014 ; Goldin, 2016 ; Mincer, 1958). Individuals with higher levels of HC are believed to contribute more to the performance of the firm than their counterparts with lesser levels of HC (Mahsud et al., 2011). However, not all researchers agree with the notion that HC is always and everywhere related to performance. For example, in his assessment of the literature related to HC, Newbert (2007) concludes that only 33% HC, 20% knowledge, and 33% experience were related to performance. Although, overall, 71% of the tests relating a specific capability to performance were found, only 37% of the tests relating a specific resource to performance were supported. Newbert implies that specific HC makes a greater contribution than general HC.

Crook et al. (2011) presented a counter argument to that of Newbert (2007) and stated that HC is the main resource that provides any firm with the basis for above average success and sustained competitive advantage. Their argument is based on the uniqueness (valuable, rare, imperfectly imitable, and a non-substitutable) and heterogeneous distribution of HC resources (Barney, 1991). However, they, as well as Kwon and Rupp (2013), believe that the value of HC increases as it becomes firm-specific. This notion, that HC provides the basis for superior firm performance, informed the development of the framework known as the resource-based view of the firm (Wernerfelt, 1984 ; Barney, 1991 ; Peteraf, 1993).

3.2.8 The resource-based view of the firm

According to this view, the ability of a firm to become and remain a viable business depends on its financial performance (Gonzalez Padron et al., 2010), which itself is contingent on the ability to achieve and sustain competitive advantage (Mahsud et al., 2011). Competitive advantage (CA) refers to the level of performance of a firm which is construed as superior to that of its competitors' or where profits exceed opportunity costs. Sustained competitive

advantage (SCA) is a situation '*where the profits survive in the face of competitive efforts [by competing firms] to duplicate the value created by the special factors*' (Arend, 2015, p. 77). These special factors are referred to as IHFs in this case study.

The ability to achieve CA depends on the value and effective deployment of human resources due to their socially complex and causally ambiguous nature as other resources can easily be copied/imitated/substituted (Barney, 1991 ; Wright and McMahan, 2011). Thus, the unique and heterogeneously distributed human resources across firms provide the basis for sustained competitive advantage (Kozlenkova et al., 2014). They are unique because they are '*the most difficult resources for an external observer to detect and evaluate... they are 'invisible' assets*' (Del Canto and Gonzalez, 1999, p. 897).

Specifically, the individual-level HC, in the form of individual level knowledge, skills, abilities, and other characteristics (KSAOs), create firm/unit-level KSAOs, referred to as human capital resources (HCRs) (Ployhart and Moliterno, 2011). It is the unit-level HCRs that generate competitive advantage in the short-term (Mahsud et al., 2011 ; Barney, 1991 ; Barney et al., 2011 ; Wright et al., 1994), also referred to as performance parity (Ployhart et al., 2014 ; Nyberg et al., 2014 ; Wright et al., 2014). If these resources are made immobile, inimitable, non-substitutable, and not-transferable in the long-term through protective HR mechanism, then they become strategic human capital resources (SHCRs), which generate sustained competitive advantage (Crocker and Eckardt, 2014 ; Nyberg et al., 2014 ; Ployhart et al., 2014 ; Wright et al., 2014)⁴.

While the aforementioned models/concepts provide useful insights, none of them clearly spell out how small businesses use intangible resources to achieve and sustain business success. Besides attempting to narrow this gap through addressing the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this study responds to the invitations made by several scholars (e.g., Light and Dana, 2013 ;

⁴ Please refer to Haq (2016) for a detailed discussion about these resources. A hard copy is attached at the end of the print version of this thesis.

Simpson et al., 2004 ; Goldenberg and Kline, 1999 ; Thompson et al., 2010 ; Clark et al., 2015) who have asked for focused research on specific sectors so as to gain an in-depth understanding of how individual groups approach entrepreneurial and small business success. Since it is impossible to study all small businesses, this study has chosen South Asian ethnic minority small businesses that sell fashion and fashion-related accessories in West Yorkshire as a case study. The tentative theoretical framework, discussed in the next section, is expected to guide the development of this thesis.

3.2.9 Theoretical framework

Amongst the eight theoretical concepts discussed above, some of them are less relevant to the current study than others. For examples, the ethnic enclave economy predominantly aims to explain how a specific sector, which is dominated by the coethnic minority people from within the general economy, performs. It is considered an ethnic employment sector within the general economy. The middlemen theory explains the economic activities of ethnic people who are considered to be creating a link between the mainstream society and the ethnic community in a given economy. Typically, the immigration of the middlemen in this concept from one place to another is informed by economic opportunity seeking attitude. Likewise, the interactive model is based on economic opportunities, which are created due to the cultural differences between the ethnic community and the mainstream host population in a given space. These opportunities are equally accessible to all in that space, though ethnic minorities may have advantage over others, based on their potentially better understanding of the difference of culture of the two groups. As for the structuralist view, ethnic minority entrepreneurship is not viewed as something being done by choice. It is embraced to survive or avoid (potentially) unemployment or underemployment due to discrimination and lack of necessary skills. As for the concepts of human capital theory and the resource-based view, scholars have typically used them to explain how large organisations achieve sustained competitive advantage, predominantly based on enhancing capabilities of people due to high levels of education and resource heterogeneity between/across organisations.

Compared with the above models/concepts, the culturalist view and the mixed embeddedness model are considered more helpful in answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' Drawing on the works of many ethnic minority entrepreneurship/small business scholars (e.g., Basu, 1998 ; Light and Gold, 2000 ; Basu and Altinay, 2002 ; Dana, 2007 ; Volery, 2007 ; Altinay, 2008 ; Chand and Ghorbani, 2011), this study argues that ethnic culture in ethnic minority entrepreneurship/small business acts as a strong driving force. My own assumption at this stage is that South Asian ethnic minority small business owners/managers in the case study are doing what they are doing by choice and their ethnic culture shapes their entrepreneurship, including the way they perceive the importance of intangible human factors for the success of their businesses.

As for the mixed embeddedness model being adopted as a theoretical framework in this study, scholars (e.g., Kloosterman et al., 1999 ; Kloosterman and Rath, 2001 ; Kloosterman and Rath, 2006 ; Ram et al., 2008 ; Kloosterman, 2010 ; Jones et al., 2014) have argued that ethnic minority entrepreneurship is not only shaped by opportunities that are created and then seized by actors in a given context or by ethnic societal and economic factors, but also by the wider economic, political, and institutional frameworks. Therefore, as the sample business community does not operate in isolation, the wider societal, economic, and political factors in the UK influence the way they approach entrepreneurship, in addition to their own ethnic cultural framework. I will now discuss a range of intangible resources, which are considered important in ethnic minority entrepreneurship/small business literature.

3.3 Resources

Extant scholarship holds a range of factors responsible for the establishment and success of businesses, including ethnic minority small businesses. These are education, the local population, economic, political, and legal environment, location, culture, and religion (Volery, 2007). The current study explores how

specific types of intangible resources⁵ are perceived as important for business success in a specific group of small businesses. To meet its goal, this case study draws on two bodies of literature - the ethnic minority entrepreneurship/small business and strategic entrepreneurship. These resources, which are discussed next, are known as class resources and ethnic resources in the former, whereas they are called intangible resources in the latter.

3.2.1 Class resources

The term class, or social class, is a concept of hierarchical categorisation or grouping of people based on a set of ideals, beliefs, and values (Marshall, 2006, p. 34). This categorisation is informed by the economic standing of people, which itself is based on other factors such as education level and status in society. According to Chronister (2006, p. 169), '*an individual's position within an economic hierarchy... is determined by his/her income, education level, and occupation.*' Light and Gold (2000, p. 84) define class resources as: '*the vocationally relevant cultural and material endowment of bourgeoisies*⁶.' Portes and Sensenbrenner (1993) offer a much more precise definition, as: class resources arise from bounded solidarity among a particular group of people who possess similar resources and generally face similar social situations which may be common to them at a particular time and space. Others (e.g., Boissevain et al., 1990 ; Ramadani et al., 2014 ; Volery, 2007 ; Piperopoulos, 2010) have also explained class resources within the ethnic minority entrepreneurship literature, but perhaps not differently than the above authors. Class resources are divided into four: financial capital, human capital, cultural capital, and social capital. Financial capital will not be discussed in this thesis, because it is not an intangible resource. The other three are discussed below.

⁵ This case study focuses on specific forms of intangible resources referred to IHFs, defined and explained in chapter 1.

⁶ A bourgeoisie (in French) is referred to a middle or upper middle class such as craftsmen and merchants with a typical attitude towards materialism.

3.2.1.1 Human capital

The concept of human capital is discussed in this thesis from both ethnic entrepreneurship and strategic entrepreneurship standpoints. Contrary to the classical economic theory which considers money, commodities, and physical capital as the only forms of capital (Bourdieu, 1986), contemporary scholarship recognises HC as an important factor in personal and organisational productivity (Barney, 1991 ; Peteraf, 1993). High levels of HC makes a person productive and enable him/her to add value to his/her work (Light and Gold, 2000 ; Barney, 1991). Moreover, high levels of HC of the workforce facilitates the work of the entrepreneur (Beatty et al., 1996) and vice versa (Light and Gold, 2000 ; Unger et al., 2011). To explain the concept of HC as a class resource, Light and Gold (2000, p. 87) provided this example:

... to become a computer programmer, one needs first to learn programming. The human capital of the computer programmer consists of programming knowledge, and this knowledge renders that person productive on the job.

An implication of the above example is, perhaps, that by being able to afford to pay for a computer programming course by him/her-self or by their parents and by having a computer programming qualification this person and/or their parents belong to a specific social class. Through this programming knowledge, this person might have access to certain resources, which many other people (i.e., those from lower classes) might not have access to. In addition, accessibility to these class resources probably makes him/her more productive than before or than other people who do not have access to such resources. Besides, his/her programming knowledge, perhaps, informs/reinforces his/her group/class affiliation.

The above discussion leads to the question: how is HC created as an organisational-level resource? Ethnic minority entrepreneurship scholars, implicitly (Jones and Ram, 2003) and explicitly (Light and Gold, 2000), emphasize on educational attainment as evidence of HC development, whereas

strategy scholars argue that firms adopt three routes, or a combination of them, to develop their HC base.

First, by recruiting new employees through the selection function of HRM that is informed by specific requirements of the firm (Zidan, 2001 ; Ployhart and Moliterno, 2011). HC embedded within new workers comes mainly from education (Hatch and Dyer, 2004). However, this form of HC may not be the main source for above-average business success, or competitive advantage, because competitors may be able to have access to workers with same/similar educational backgrounds. Firms, nevertheless, may be able to generate above average success by selecting new workers with skills that match with the firm's requirements, a process called screening (Blaug, 1976). Firms may also be able to select those individuals who have the motivation and potential to learn firm-specific skills and then facilitate them to acquire such skills (Coff and Kryscynski, 2011).

Second, through providing firm-specific training to the workers in a way that competitors are unable to imitate or substitute (Hatch and Dyer, 2004). Competitors, however, may be able to imitate both the training programme and the resultant HC in the long-term, but not without spending additional money and/or time. However, firms whose HC base is being imitated/substituted by competitors may develop it on an ongoing basis to remain ahead of their competitors (Hatch and Dyer, 2004).

Third, through effective deployment of the available human resources to perform tasks efficiently (Crocker and Eckardt, 2014). Managers with firm-specific HC (such as experience) are more capable than those without, in assessing skills of the available human resources and deploying them accordingly (Hatch and Dyer, 2004 ; Zahra et al., 2006). This strategic skills assessment and job assignment process can enhance individuals' and units' performance, in addition to helping new employees and/or those not yet trained or poorly trained staff members in acquiring firm- or task-specific HC. Crocker and Eckardt (2014, p. 5) exemplify:

... a surgical support team that has substantial training and experience in a particular function would complement the performance of an expert surgeon as the surgical team's actions could have a direct impact on the expert's ability to achieve a positive surgical outcome.

A possible implication of the above discussion is that, competitors who do not have experienced managers in place will find it difficult to deploy their employees effectively, which can negatively affect their own and the organisational performance. It, perhaps, also implies that HC begets HC (Mahsud et al., 2011) and success breeds success (Dierickx and Cool, 1989), which ties up well with the concept of class resources, i.e., certain people have access to a number of resources, typically because they belong to a particular class. Cultural capital is the second form of class resources, discussed in this chapter.

3.2.1.2 Cultural capital

According to Light and Gold (2000), cultural capital is the occupational culture of a group of people which includes skills, knowledge, attitudes, and values that are specific to that group, known as a class. The level of cultural capital is associated with an individual's or a group's standing in society, i.e., the higher the class the higher the amount of all sorts of capital available to them, including cultural capital. Examples of this type of capital include art, music, dance, literature, furniture, architecture, cuisine, and fashion that are manifested in daily life or on ritualised occasions such as weddings. Pierre Bourdieu pioneered scholarly work on cultural capital as a class resource, he explains:

Cultural capital can exist in three forms: in the embodied state, i.e., in the form of long-lasting dispositions of the mind and body; in the objectified state, in the form of cultural goods (pictures, books, dictionaries, instruments, machines, etc.), which are the trace or realization of theories or critiques of these theories...; and in the institutionalized state, a form of objectification... (Bourdieu, 1986, p. 17)

The embodied cultural capital is what others call inherited cultural capital⁷ (Light and Gold, 2000), the objectified cultural capital refers to cultural manifestations through physical objects and actions, whereas institutionalized cultural capital is earned through education and experience. While cultural capital is an important class resource that ethnic minority entrepreneurs can capitalise on, it is (as well as class resources themselves are) not sufficient enough to make a success without having access to other forms of capital. The following quote from Light and Gold (2000, p. 91) clarifies this point:

... when Josephine Smith wears the right suit, handbag, and shoes to a job interview on Wall Street, she makes a favorable impression and lands the job. Josephine's mother and peers taught her how to dress, a culturally monitored skill that paid off when she landed a lucrative job.

The above example insightfully explains how having access to various forms of capital brings certain advantages to people. For instance, her own and/or her parents' social capital helped her realise that a university degree would help in her future career. The financial capital and social capital she had access to helped her in achieving a superior form of human capital in the form of an MBA degree from Yale University (Light and Gold, 2000). By virtue of cultural capital, Josephine's mother and her peers directly or indirectly taught her how to present herself in front of others, especially those who are considered high in the class, like those in the Wall Street organisations. She might pass on these forms of capital to her children, relatives, and friends. This is perhaps how a social class maintains its status and further accumulates class resources in society.

This type of class resource may not be available to everyone, because a class in a given society is a unique segment and only members of the class would know precisely how to behave, what to say, or what to wear on certain occasions. The above example can be related to other situations. Young people, for instance, get exposure to entrepreneurship and learn business skills if they have a close relative who is an entrepreneur or has business experience

⁷ This concept will be further discussed later in this chapter.

(Pruett et al., 2009 ; Light and Gold, 2000 ; Chlosta et al., 2012 ; Simoes et al., 2016). Some people learn these skills directly through formally or informally working in their relatives' businesses, whereas others may obtain business skills from entrepreneurial relatives just by talking or emulating them (Pruett et al., 2009 ; Light and Gold, 2000). These opportunities may not be available to people who do not have access to entrepreneurial exposure, knowledge, and other resources. That would generally imply that the possibility of becoming an entrepreneur is greater among young people who have close relative(s) with experience, knowledge, and other entrepreneurship-related resources, than their counterparts who do not have access to such resources.

The above example ostensibly portrays that class resources are ethnicity-free. It implies that class resources depend on a social class, which is formed by similar people or by people having similarities even if they come from different ethnicities, races, religions, and cultures. Josephine's dress code for her interview does not necessarily depict her ethnic culture. She, rather, follows the customary norms of her class. However, what outcome could Josephine have received if she had been in the shoes of '*a woman wearing full facial covering... [that]... made her de facto unemployable*' in the Netherlands in 2007 (Koopmans, 2010, p. 4) or Samira Achbita⁸ or Asma Bougnaoui⁹ (Amnesty International, 2017) or Jagdip Singh Dhinsa¹⁰ (Derby Telegraph, 2011) even if all these people supposedly belonged to the same social class as that of Josephine? Therefore, a class system in practice is, perhaps, a means of differentiating people on unequal grounds because the concept of class and classism is like race and racism and/or gender and sexism (Liu et al., 2004), which inherently prefer some people over others. Hence, a person's own class resources may not be enough to inform others how they ought to behave towards him/her. Rather, society can play a role in shaping peoples' behaviours. The role of social capital, as a class resource, is discussed next.

⁸ A receptionist, who was sacked by G4S Secure Solutions NV in Belgium on 12 June 2006 for wearing an Islamic head scarf.

⁹ An IT consultant, who was dismissed by Micropole SA in France on 22 June 2009 for wearing an Islamic head scarf.

¹⁰ A prison officer, who was sacked for carrying a Sikh religious ceremonial knife called Kirpan in 2011 in the UK.

3.2.1.3 Social capital

Social capital (SC) is defined as the relationships, interdependencies, and connections between people/groups based on mutual trust, confidence, and respect in a reciprocal way (Bubolz, 2001 ; Danes et al., 2009 ; Coleman, 1988 ; Ivy et al., 2015 ; Arregle et al., 2007). Since SC typically exists in non-material form, it is '*partially irreducible to objective relations of proximity in physical (geographical) space or even in economic and social space*' (Bourdieu, 1986, p. 21). The volume/value of SC that an individual can possess depends on the number of connections he/she has with others, as well as the volume/value of the SC each individual has, in their social network (Bourdieu, 1986). According to Portes and Sensenbrenner (1993), SC typically comes from four sources: value introjection; reciprocity transactions; bounded solidarity; and enforceable trust.

Value introjection refers to the extent that individuals' behaviours are influenced by the acceptable collective behaviour in a given context. For example, people keep their surroundings clean and tidy in a given space as they feel it is a moral responsibility and a means of maintaining value systems. These behaviours are typically driven by class, and if all members of the community in a given space follow these rules (mostly unwritten and informal), then everybody in that community (class) will derive some benefit of social and/or economic nature. With reference to differences in value systems across classes, a middle class value could be an understanding of wine, while a working-class value would, perhaps, be more concerned with beer, whereas for a typical ethnic minority population alcohol may be related to religious beliefs, so they take on a totally different understanding of what is socially acceptable. These behaviours are both class-driven and ethnic-driven, and they inform how individuals behave according to the class they belong to or the ethnicity they come from.

Reciprocity transactions, as a source of creating social capital, refer to the favours that people do to each other, and their reciprocation. This type of social capital in small firms has its underpinnings in the level of trust amongst family members, relatives, friends, and community members (Bubolz, 2001). This is also, probably, a class-derived form of social capital because the acquisition of

this type of social capital is based on the dynamics of group affiliation and trust, whereby people do favours to each other, such as information sharing and approval of each other's businesses through word of mouth (Portes and Sensenbrenner, 1993 ; Arregle et al., 2007 ; Valenzuela et al., 2009). Moreover, doing favours to each other involves the exchange of gifts that may or may not be reciprocated, in order to make the relationship long-lasting (Bubolz, 2001 ; Portes and Sensenbrenner, 1993 ; Light and Gold, 2000).

However, the exchange of favours should not be considered as a form of corruption, because corruption involves bribing those who control resources or who make/enforce decisions/policies. Through corruption people/businesses save money by avoiding payment of legally necessary taxes/fees and gain an undue advantage at the cost of others/competitors. Rather than corruption, the creation of SC through reciprocity transactions is similar to the Chinese concept of *guanxi* (Light and Gold, 2000), where relationships are based on genuine friendships and have the potential of giving and receiving favours unselfishly at nobody's cost. Though at times relationships based on *guanxi* may be class-centric and/or ethnocentric and can create an advantage for the insiders at the cost of the outsiders in a given context (Kuo and Chew, 2011).

Bounded solidarity, as another source of SC building, manifests itself when people in a particular context behave in a certain way towards each other due to a common situational issue (Portes and Sensenbrenner, 1993). Their behaviours are shaped by strong similarity(ies) between them, which can compel them to help each other in time of need. However, this type of help from group members is not necessarily consciously pursued (Bourdieu, 1986). This type of SC can also be both class-derived and ethnic-derived. Examples include, professional unions such as teachers' union and doctors' union, where members have solidarity/sympathy for each other and act in each other's interests, though they might not get any advantage for the time being. The nature of bounded solidarity, as an ethnic resource, is discussed in the next section in more detail.

Enforceable trust, as the fourth and last source of SC creation, is also both class-derived and ethnic-derived (Portes and Sensenbrenner, 1993). People benefit due to having trust and confidence in each other, which is underpinned in belongingness to a particular social/ethnic group. The membership of a professional body, such as the Chartered Institute of Personnel and Development (CIPD) and British Academy of Management (BAM), may be examples. Members of such associations enjoy privileged benefits, including access to specialised bodies of knowledge and participation in members-only gatherings, which may not be available for non-members.

In addition to be above four, there are two other sources available for social capital to be earned. These are: first, internal sources - the level of trust and goodwill between an entrepreneur and their own social group (also called strong ties or bonding social capital); and second, external sources - the stock of trust and goodwill between an entrepreneur and the wider society (also called weak ties or bridging social capital) (McPherson, 2010 ; Hawkins and Maurer, 2010 ; Lassalle, 2008 ; Coleman, 1988). Finally, like cultural capital, SC can also be acquired from relatives, also referred to as inherited SC (Arregle et al., 2007), who have prior experience of entrepreneurship. Examples include Sam Walton (founder of Wal-Mart) and Donald Trump as they received social capital, along with other forms of capital such as money and property, from social networks of their father-in-law and father respectively (Light and Gold, 2000, p. 95).

In sum, class resources have either materialist or culturalist characteristics. Materialist resources include private property and wealth. It also includes human capital because the acquisition of human capital (through education) requires prior tangible investment in the form of time and money (Light and Gold, 2000). Culturalist class resources include values, attitudes, knowledge, and skills that can be transferred from one person/group/generation to another. Overall, the role of class resources can be manifested in the form of culturally defined ethnic markets, a pool of low-cost yet reliable labour force, vital information, and financial resources from family, friends or fellow coethnic individuals, and culturally and materially relevant abilities. Some groups may have more/better resources (such as wealth and human capital) than others.

Examples can be cited as the Russian Jews in Manhattan, the Cubans in Miami (Portes, 2010), the South Asians in London (Basu, 1998), the Japanese in California (Portes and Manning, 2012), and the Turks and Moroccans in the Netherlands (Kloosterman et al., 1999), who, reportedly, have more/better resources than the Mexicans in general in the US (Telles and Ortiz, 2008). The concept of ethnic resources is discussed next.

3.2.2 Ethnic resources

The term ethnicity is derived from the Greek word '*ethnos*' which refers to '*some form of unity other than the strictly political*' (Just, 1989, p. 71). According to Banks (1996, p. 4), '*ethnicity is a social identity characterized by fictive kinship.*' Kinship refers to '*interpersonal ties grounded in relatedness*' and is considered the '*most important social institution that affects one's identity, livelihood, and career*' (Verver and Koning, 2017, p. 2). Thus, ethnicity is a complex concept, to understand, which '*some employ the criterion of self-identification, some the criteria of birthplace or origin of one of the parents, while others do not specify what criteria they use*' (Nagata, 1974, p. 337).

Ethnicity is an overarching and encompassing concept, which includes race and has '*many different subtypes, some of them defined by linguistic and others by religious boundaries*' (Schaeffer, 2014, p. 15). According to Wimmer (2008, p. 974), the '*subtypes of ethnicity can be distinguished depending on the type of markers that are used to substantiate the belief in shared culture and ancestry, most importantly ethnoreligious, ethnoregional, and ethnolinguistic categories and groups.*' According to Verver and Koning (2017, p. 2), '*family and ethnicity are subsets of the overarching kinship domain.*' Thus, it can be argued that ethnicity and race are underpinned by kinship and are understood in the light of the above definitions in this study. Moreover, according to Gabbert (2006, p. 88), ethnicity is distinctively different from class:

... only social categories that are related to ideas of common descent and integrate several families and kin groups should be referred to as 'ethnic'... the primary criterion for class differentiation is not cultural

difference or origin – as in ethnicity – but the position of the respective group in the system of production.

The diverse views about the concept of ethnicity make it difficult to develop a consensus on what it precisely means. However, the aim of this study is to explore the perceived role of IHFs that exist and that are used in a peculiar type of ethnic minority business sector. Thus, the discussion of ethnicity as a social concept is not in the remit of this thesis per se but ethnic resources' is.

Ethnic resources typically include institutions, values, knowledge, skills, information, attitudes, leadership, solidarity, and an orientation to sojourning (Pécoud, 2010 ; Light and Gold, 2000). According to Boissevain et al. (1990, p. 132), '*sociocultural features of a group that coethnic business owners utilize in business or from which their businesses passively benefit*' are called ethnic resources. Likewise, Light and Gold (2000, p. 105) define: '*Ethnic resources are features of a group that coethnics utilize in economic life or from which they derive economic benefits.*'

Unlike class resources, which are universalistic as '*they lack distinctive ethnic or cultural characteristics*' (Light and Gold, 2000, p. 84), ethnic resources are particularistic in nature because they are developed and employed within the cultural boundaries of an ethnic group. Universalism and particularism represent the attitudes of societies/groups of people towards modernization versus traditional value systems. Societies or groups who tend to adhere to their traditional cultural values are considered particularistic, whereas those who adopt modern ways of life are considered universalistic (Mutti, 2000). Alternatively, universalism represents a cultural tendency of a nation or group who '*are less tolerant of power distance, willing to accept living with uncertainty, are more individualistic, masculine, and achievement oriented*', whereas societies which avoid uncertainty, accept power distance, tend to take collective action, and live a collective life represent the notion of particularism (Lee and Peterson, 2001, p. 405).

Because of their universalistic nature class resources are generally available to members of the class irrespective of time and space (provided other factors remain constant), but ethnic resources are subject to the context (Lee and Peterson, 2001). The context-dependent nature begs the question: '*how do ethnic groups create ethnic resources?*' Ethnic resources are created in three different ways: through collective life and collective action; through bounded solidarity; and through inter-group unionisation. These are discussed next.

3.2.2.1 Collective life and collective action

The collective life (Light and Gold, 2000) and collective action (Portes and Sensenbrenner, 1993) of ethnic groups fundamentally provide underpinnings for the creation and maintenance of ethnic resources. The moral values of group life (what is considered as acceptable behaviour) in an ethnic group has its roots in the ethnic culture of where they originally come from. How these values are maintained perhaps depends on a number of factors including: how deeply these values are rooted in the culture of the originating country; how they are practiced by the ethnic group in the host country; and the demographics of the ethnic group in the host country (Choudhry, 2001 ; Victor et al., 2012). Smaller groups may tend to have intense inter-group relationships (Light and Gold, 2000), while larger groups might find it easy to maintain their culture as sellers and buyers of cultural products (Basu and Altinay, 2002).

In addition, these factors might also include the degree of freedom that is available to people to practice their belief systems, such as Muslim women covering their heads, Sikh men wearing turbans and Jewish men wearing Kipa. Suppressing these freedoms could potentially mean inhibiting ethnic minority entrepreneurship, and eventually, decreased economic activity in the society. The next section discusses how ethnic resources are created through bounded solidarity, which has already been discussed but as a class resource.

3.2.2.2 Bounded solidarity

This concept is sometimes referred to as the tool kit perspective (Drori et al., 2009 ; Light and Gold, 2000), in which the ethnic culture acts as a tool kit of

various culture-related notions such as ethnic languages, symbols, stories, rituals, food, fashion, and music. For example, Jamaicans know Reggae Music, Mexicans can cook Mexican food, while Israelis have the expertise of teaching Hebrew in the US (Light and Gold, 2000). Likewise, South Asians in the UK know the famous Bollywood music, they can cook delicious curry food, and can teach their ethnic languages (Hindi, Urdu, Punjabi, and Gujarati). They can create economic value by selling Bollywood music, cooking and then selling Asian food, and teaching Asian ethnic languages in schools and colleges. For instance, curry food is a big business in the UK (Jones et al., 2012 ; Ram et al., 2000).

In addition, bounded solidarity leads to cooperation with, and support for, each other, specifically where ethnic minorities face discrimination and hostility from the mainstream host society (Carter et al., 2013 ; Jones and Ram, 2003 ; Clark and Drinkwater, 2010). Moreover, since ethnicity shapes group/individual identities, it can encourage/increase group cooperation through various institutional platforms including religion, group myths, and cultural manifestations (festivals like Eid, Dewali, Vaisakhi, and weddings). For example, the collective disadvantage of South Asian ethnic minority in the UK may have pushed them away from the mainstream institutions, but it might have created strong social ties among them (McPherson, 2010), eventually making them successful business owners. According to Barrett et al. (2002, p. 15):

South Asian entrepreneurialism stems from culturally-specific entrepreneurial values combined with privileged access... to ethnic communal... values and resources presumed lacking among Caribbeans, Africans and the white majority [in Britain]...

With respect to racism, which can lead to bounded solidarity and then to the creation of ethnic social capital, Portes and Sensenbrenner (1993) provided a more elaborative example. Officer William B. Lozano, a Colombian-born policeman, had to hire the best attorney in Miami to defend his case of (accused) killing of two black cyclists in 1989. He was facing hostility, and received very little sympathy, from much of the local population. Having been

suspended without pay, his funds dried up very quickly. To raise funds, he presented himself to his local fellow Colombians through the local Spanish-language radio stations. He managed to collect \$150,000 in his first broadcast. His fellow Colombians might have been unsure whether or not he was innocent, but they were, perhaps, convinced that he was singled out because he was from a different ethnicity than most of the local community. The third and final source of creating ethnic resources is through inter-group unionisation.

3.2.2.3 Inter-group unionisation

The inter-group unionisation among ethnic groups often manifests itself either in the form of broader unions across the group and/or in more specific unions within a smaller segment (Boissevain et al., 1990). In the context of the UK, the broader unions refer to ethnic trade unions, such as National Asian Business Association and Asian Business Awards, which somehow work for the business interests of (South) Asian ethnic businesses. The specific unions refer to the notion that every individual ethnic business will eventually have access to ethnic resources such as labour, (in)formal trade unions, and so on, therefore each entrepreneur would have to exploit unique resources available to them, such as family resources. Since '*family social capital is a smaller and denser version of social capital with stronger ties*' (Chand and Ghorbani, 2011, p. 596), it results in a lot of benefits including free business advice, free market intelligence, and interest free financial support from family and/or extended family members and fellow coethnics, which otherwise could cost money in the form of interest and consultancy/professional fees (Basu, 1998). Through inter-group unionisation, ethnic minority groups not only create ethnic resources that have important economic value for ethnic businesses and for the groups in general, but they also create economic resources for the wider economy, such as employment.

In sum, both ethnic and class resources have the potential to benefit coethnic businesses and consumers (Pécoud, 2010 ; Boissevain et al., 1990 ; Light and Gold, 2000 ; Bourdieu, 1986), they are not mutually exclusive because, every so often, they overlap each other and the boundary between them is not very clear. Thus, in practice ethnic resources and class resources are combined

(Light and Gold, 2000) together in understanding how ethnic minority businesses make use of them. Their amalgamation results in the availability of more and better resources that may be needed in the successful running of businesses (Trompenaars and Hampden-Turner, 2011). In short, while ethnic resources are similar to class resources but they are not necessarily the same. Ethnic resources fall in the particularism concept (not universalism) because they are relevant to a particular group of people in space and time. Moreover, ethnic resources are generally more widely available to all members of the ethnic group compared to class resources. The next section highlights the differences between the two.

3.2.3 Differences between class and ethnic resources

While ethnicity combines ethnic and class resources in advancing entrepreneurial activities (Valdez, 2003 ; Portes and Sensenbrenner, 1993), the mystification between the two becomes foggier in societies where ethnicities tend to evolve quickly and at times melt in the mainstream, like Israelis in the US (Light and Gold, 2000) and Poles in the UK (Vershina et al., 2011). Ethnic groups like these, perhaps, tend to lose some aspects of their culture when they adopt the culture of, and merge into, the mainstream (Thomas, 2003). However, ethnic groups whose overall culture is distinctively different from the host society's culture tend to maintain their unique culture longer, like Arabs in the US (Light and Gold, 2000) and South Asians in the UK (McPherson, 2010).

However, there are differences in class and ethnic resources, in general. For example, class resources are typically considered universalistic because in a class a *'code of laws exist that apply equally to all'*, whereas ethnic resources are particularistic as *'individuals enjoy special rights or privileges because of their status'* in the group (Lee and Peterson, 2001, p. 404). An obvious difference between a class and an ethnic group, and therefore between class and ethnic resources, is the accessibility to financial capital. In contrast to social classes, ethnic groups in a foreign land generally lack financial resources. However, they raise funds through informal credit unions, also referred to as rotating credit system (Portes and Manning, 2012).

In addition, there are differences in how human capital resources are acquired in a class and an ethnic group. A class generally depends on formal education systems to develop human capital, whereas ethnic groups may not have access to prestigious educational institutions and/or do not have the means to pay for the cost of acquiring superior human capital in the host country, though it may vary from one context to another. According to Light and Gold (2000), some educational institutions, such as Howard, Brandeis, Notre Dame, Loma Linda, and Brigham Young in the US provide ethnic-specific and ethnic-recognized academic qualifications. Similar institutions do not exist in other countries, like the UK, where specific ethnic groups, such as South Asians, have access to educational institutions and can be awarded qualifications that are recognized and valued by their coethnic entrepreneurs and coethnic community.

Finally, all ethnic resources are equally available to all members of an ethnic group in a particular space and time. However, class resources in the same space and time are generally accessible to people, irrespective of their ethnic background, who qualify to be in that social class. Nevertheless, social class is a relative term and is predominantly based on the notion of having access to various forms of capital, financial resources being one of the most important capitals. Therefore, it is quite possible that class structure can exist within a particular ethnic minority group.

In addition to class and ethnic resources, there are two other intangible resources, which strategic entrepreneurship scholars frequently discuss. These are knowledge and relational capital. Ethnic minority entrepreneurship literature also makes frequent reference to them, but it does not call them with the same labels. These are discussed next in turn.

3.2.4 Knowledge and knowledge sharing

Knowledge has become one of the most valuable strategic resources and is considered an important driver for business growth (Liu et al., 2010 ; Dai and Liu, 2009 ; Denicolai et al., 2014). Knowledge is defined as: '*information that*

has been combined with experience, context, interpretation, and reflection' (Davenport et al., 1997, p. 4). According to Ipe (2003, p. 340), knowledge is created when the *'flow of messages interacts with beliefs and commitments of its holders.'* Similar to HC, knowledge exists in tacit or explicit form. The former is acquired through experience, while the latter comes with education and training (Ipe, 2003 ; Wang and Wang, 2012). The two types of knowledge, know-how (experience-based knowledge) and know-what (task-based knowledge), which firms require to function, are acquired from internal and external sources respectively (Ipe, 2003 ; Liu et al., 2010 ; Denicolai et al., 2014). External sources of knowledge creation are alliances and collaborative relationships of a firm with other businesses and/or individuals (Liu et al., 2010). Internal sources are individuals and business units within a firm, which share the available knowledge with each other (Liu et al., 2010 ; Ipe, 2003).

Once acquired externally or internally, for knowledge to become a useful resource, it has to be disseminated to individuals within the firm or across firms (Liu et al., 2010), because it is the shared knowledge that has an impact on firm-level efficiencies (Wang and Noe, 2010 ; Wang and Wang, 2012). While the basic level where knowledge sharing starts is the individual, as this is the elementary unit of knowledge repository, the level at which knowledge becomes an organisational resource is the team, department, or division, as this is where knowledge has an impact on business success and performance (Davenport et al., 1997 ; Ipe, 2003 ; Law and Ngai, 2008). Irrespective of the level where knowledge is shared, knowledge sharing happens when the owner of knowledge has a personal motivation and perceives no risk in sharing it with others, in addition to having an opportunity available to do so, such as an in-house training gathering, a formal and/or informal meeting with peers, super- and/or subordinates (Ipe, 2003). Knowledge sharing causes a number of efficiencies such as reducing production costs, faster completion of activities, improved team performance, increased innovation, and sales growth (Wang and Wang, 2012). Moreover, through knowledge sharing, firms increase inter-unit cooperation and learning which enhances existing knowledge repositories and stimulates new ideas, which, itself, is positively related to sustained business success/competitive advantage (Zhou and Li, 2012).

There are two different processes involved in sharing both tacit and explicit knowledge: (a) externalization and combination - through this process knowledge possessed by individuals, and groups is converted into organisational or collective knowledge; and (b) internalization and socialization - through this process, knowledge possessed by the firm is transferred to individuals or teams/groups of individuals (Wang and Wang, 2012). Zhou and Li (2012, p. 1091) used the terms '*internal and external knowledge integration mechanisms*', which more or less resemble the above two processes. They believed that through these mechanisms firms utilize the full potential of their individual and organisational knowledge. They also explained that tacit knowledge is shared through internalization or internal knowledge integration mechanisms, whereas explicit knowledge is usually shared between individuals and the organisation and across individuals through externalization. Thus, the term externalization, or external knowledge integration mechanism, also refers to market knowledge acquisition.

Besides the aforementioned mechanisms, the process of knowledge sharing is facilitated by organisational culture (Law and Ngai, 2008 ; Wang and Wang, 2012). Thus, managers and organisations need to create friendly working environments in order to encourage/enable the workforce to share their knowledge with each other. This is because individuals may be reluctant to share their knowledge in uncertain and insecure situations due to fear of losing the power that comes with knowledge, or fear of potential punishment, or little or no expected benefit in return (Ipe, 2003).

Moreover, the behaviour to share, or not to share, knowledge may be related to the class system, as mentioned already, the class system is inherently based on inequality. That is, members of a particular class may selectively share knowledge with those people only who they perceive to belong to the same class. Likewise, some people may choose to share their knowledge with their own coethnic members only. Whether or not these situations exist in the sample that is studied in this research are yet to be seen.

While knowledge sharing, as a process, contributes to firm performance, there is no consensus about the nature of this relationship, i.e., direct or indirect. For example, according to Law and Ngai (2008), knowledge is directly and positively related to business process improvement and product/service offerings, but knowledge sharing has an indirect positive relationship with firm performance and business success. Wang and Wang (2012), on the other hand, noted that knowledge sharing has a direct positive relationship with firm performance in addition to having a positive impact on innovation, which is also positively related to firm performance. However, there are methodological weaknesses in these empirical studies. The authors relied on cross-sectional data which may not reflect the effects of knowledge sharing, because it may take time before firms realize the effects of knowledge sharing (Crook et al., 2011). However, the works of these scholars provide useful insights about the relationship between knowledge sharing and the overall business success/performance. Finally, firms need to create an inclusive work environment so that knowledge could be shared between/across the workforce. This viewpoint leads to the last type of intangible resource - relational capital.

3.2.5 Relational capital

Relational capital (RC) consists of *'the set of all relationships - market relationships, power relationships and cooperation - established between firms, institutions and people that stem from a strong sense of belonging... typical of culturally similar people and institutions'* (Welbourne and Pardo-del-Val, 2009, p. 486). RC is a valuable resource for all firms (Mahsud et al., 2011 ; Rowley et al., 2000 ; Liu et al., 2010), as RC benefits a business when it establish partnerships/alliances with other businesses and/or individuals (Liu et al., 2010 ; Kauppila, 2010).

Scholars also argue that firms learn how to deal and negotiate with other firms/individuals in the process of establishing and expanding their RC base, and thus they are able to enhance the long-term organisational performance and business success (Welbourne and Pardo-del-Val, 2009 ; Liu et al., 2010 ; Rauyruen and Miller, 2007). While inter-organisational networking/relationships

may bring benefits for all types of businesses, small firms, perhaps, need more of such relationships than large firms do (Welbourne and Pardo-del-Val, 2009 ; Macpherson et al., 2004), because small firms lack resources.

While relational capital is considered a useful intangible resource, scholars in the past have typically talked about mainstream organisations. However, there is some research which sheds light on how (a) family and gender relationships and (b) employment relationships work in small businesses. These are discussed next.

3.2.5.1 Family and gender relationships

Family, as a basic unit of society, plays a typically important role in ethnic minority entrepreneurship/small businesses. However, in contrast to the view that was presented above about relational capital mainly in the context of mainstream organisations, relationships are not that clear in ethnic minority businesses. This is perhaps because the distinction between various aspects of the business, including production and consumption, employer and worker, public and private, and exploitation and self-interest, are unclear in small businesses, in general (Wapshott and Mallett, 2015), and in ethnic minority small businesses, in particular, due to informality - *'a process of workforce engagement, collective and/or individual, based mainly on unwritten customs and the tacit understandings that arise out of the interaction of [the] parties at work'* (Ram et al., 2001, p. 846).

Moreover, in ethnic minority businesses, economic plans are developed, responsibilities are allocated and, more importantly, class and ethnic resources are fundamentally developed at the family level (Light and Gold, 2000), which highlights the role of family and gender in these businesses. According to Light and Gold (2000, p. 131), *'family and gender relations are social forms based on loyalty, intimacy, shared fate, social prescriptions, and relational ties.'* This definition necessitates that entrepreneurial family relationships need to be understood at least from two angles: family social capital (in the form of family relationships) and the role of gender, which are discussed next.

3.2.5.1.1 Family social capital

In the context of family businesses, family social capital refers to the relationships between the family who owns the business and the employees, customers, and other stakeholders (Bubolz, 2001 ; Danes et al., 2009). Ethnic families do not generally subscribe to the widely followed mainstream economic models of cost-benefit, because family members depend on each other for survival and economic wellbeing (Light and Gold, 2000), even if they are not involved in the (family) business. Moreover, ethnic families do not behave the way nuclear families do. The concept of nuclear family is based on the notion of social welfare states that emerged after the World War II (Pateman, 2014). In a traditional nuclear family, it is assumed *'that parents will... cohabit, that women and children will receive support from a husband-father, and that... mothers and their children will be cared for by their parents and grand parents'* (Light and Gold, 2000, p. 138). The notion of nuclear family in the West is considered as a symbol of safety, and it is related to White middle class where the male partner, usually husband, is considered as the breadwinner and the female partner, in other words wife, as a homemaker (McPhail, 2009). According to Adams (1997, p. 23), *'the nuclear family came to operate as a symbol of safety - not just on the individual level, but on the national level as well.'* McPhail (2009, p. 1035) highlights the importance of the nuclear family as: *'if everything was alright with the nuclear family, then everything was alright with the nation.'* This understanding about a nuclear family informs state policies that are aimed at providing social and financial support for families.

In contrast, family life within ethnic minority groups is generally constrained by cultural and economic environments. The continuation of family life depends on the success and continuation of family economic activity. Moreover, ethnic families act as a rational agent to facilitate family economic activity in an environment which prevents them from receiving several state benefits, which the mainstream nuclear families take for granted (Light and Gold, 2000). In addition, the legal status of family members also brings limitations to their potential economic activities. For example, many of those who are foreign-born

or who recently emigrated from other countries as family reunion, or family immigrants, generally do not have access to loans from banks and are not able to carry out any independent economic activity in countries, such as the UK, at least for the first couple of years (United Kingdom Home Office, 2016). Such restrictions do not apply to those who have settlement or citizenship status.

Moreover, some scholars use the new economics of migration model to explain the role of family in economic activity in ethnic minority groups. This model assumes that economic decision-making is not an individual's act, rather it happens at the family and/or household level where the family defines roles for individuals and diversifies the sources of household income (Light and Gold, 2000 ; Porumbescu, 2015). Consequently, some family members work in the mainstream economy or are sent abroad where wages are more attractive (Porumbescu, 2015). Since this concept is not underpinned by ethnic minority entrepreneurship, it is not discussed further in this thesis.

The effects of family relationships in ethnic minority businesses can be better understood from the evidence presented by Sanders and Nee (1996), i.e., in the United States single immigrants create far less self-employment than those who have family members living together. According to them, the presence of spouses/civil partners, in-laws, related adults, and teenage children create an environment of self-trust and mutual obligation, in addition to increasing the likelihood of mutually assisted self-employment and its success. Danes et al. (2009) found that 13.5% and 26.7% variance in gross revenue was determined by family social capital in the short- and long-term respectively. Their argument matched with the findings of Deakins et al. (2007), who argued that family (and community) social capital in ethnic minority businesses in Scotland replaces the role of formal institutions.

That being said, closer ties amongst members of entrepreneurial families¹¹ do not always result in mutually beneficial outcomes. They sometimes may result in negative outcomes (Bubolz, 2001) in the form of rivalries and competition for

¹¹ Chlosta et al. (2012, p. 121) define entrepreneurial families as: *'those with a heritage of entrepreneurship and business ownership. This includes at least one self-employed parent owning and managing a business.'*

family resources, because family members do not get on well in all families and all the time (Light and Gold, 2000). However, the benefits these ties bring are far greater than the associated risks (Bubolz, 2001). Hence, this chapter discusses only the positive side of family relationships. Gender differences, in other words the role of women, are also relevant to ethnic minority entrepreneurship/small businesses.

3.2.5.1.2 Role of gender

According to Light and Gold (2000), the role of gender in ethnic minority entrepreneurship is defined by ethnic culture, followed by the level of earnings. For example, women from some Middle Eastern and Asian cultures are not as involved in economic activity outside the home, because they avoid intermingling with non-related men, as women from some other backgrounds, such as Europeans and North Americans (Light and Gold, 2000). Consequently, people in some cultures opt for self-employment to keep families together and/or facilitate female family members to earn a living at the same time. Examples of such cultures may include orthodox Jews in Pennsylvania, Vietnamese in the US, Chinese and some South Asians in the UK (Light and Gold, 2000).

In addition to specific cultural norms and the level of earnings, household responsibilities (which may also be contingent on the ethnic culture) also inform the role of gender in economic activity beyond the boundaries of the home. For example, unlike most men, women typically end up doing unpaid work at home, which makes their economic role even less important as they (generally) already earn less elsewhere in the economy as employees (Light and Gold, 2000 ; Pateman, 2014). These factors may make women feel that they do not have time, or that they lack appropriate skills and knowledge for self-employment, leading to lower entrepreneurial self-perception (Verheul et al., 2012). There can be other factors at play that define the role of gender, such as *'informal social expectations and formal institutional mechanisms [that] protect native-born majority and male workers from having to take low-level jobs'* (Light

and Gold, 2000, p. 136). These impediments sometimes give little choice to the already marginalised ethnic minority group members, especially women.

Having mentioned that women, in general, play a less important role than men in (paid) economic activity in ethnic minority groups/families, ethnic minorities do not discount the role of women outright. Female members in business families, such as mothers, at times act as a bonding force to keep the family and the business intact (Janjuha-Jivraj, 2004). Moreover, while the argument that women earn less and are less active than men in (paid) economic activity may stand out in ethnic groups, these gendered differences are not uncommon in the mainstream Anglo-American societies (Pateman, 2014). In other words, gendered discrimination is a wider phenomenon, which is nurtured by the society through institutionalized discrimination (Ahl, 2006). Finally, the next section discusses employer-employee relationships in small businesses.

3.2.5.2 Employee relationships

The concept of employee relationship management has been traditionally labeled as personnel management and/or industrial relations (Guest, 1987). However, in contemporary management literature the discipline that deals with *'the management of people at work'* is referred to as human resource management (HRM) (Wapshott and Mallett, 2015, p. 8), which gained popularity since the 1970s as a result of organisational complexities (Marlow, 2006 ; Ferris et al., 2004). Human resource management is a *'managerial approach aimed at re-ordering the employment relationship to ensure employee efforts were strategically focused on achieving organisational performance and competitiveness in increasingly volatile markets'* (Marlow, 2006, p. 467).

Extant literature implies that HRM is not the same as personnel management. Unlike the former, the latter traditionally focuses more on administration than employee engagement. Also, HRM is not the same as industrial relations which is more like a conflict resolution or mitigation practice between management and structured unions (Guest, 1987 ; Marlow, 2006). In other words, industrial relations deal with the legal side of rights and responsibilities of employees over

employers and vice versa (Clegg, 1979). Nevertheless, both personnel management and industrial relations, at least in theory, can be considered as subsets of the overarching human resource management concept (Guest, 1987). Moreover, HRM is seen as a particular technique to manage employment (Edwards, 2005), i.e. it tends to deal with employees in a personalised manner as opposed to the traditional industrial relations approach (Ferris et al., 2004). According to Ulrich (2013), in an ideal situation the workforce ought to be considered as internal customers of the organisation, therefore, where the HR department acts as a business partner and a change agent in the business, it ought to be acting as an administrative expert and employee champion.

That said, since this thesis focuses on a segment of ethnic minority businesses, which are inherently small, it will be worthwhile to understand: what do we know about employment relationships in small businesses, more specifically, in ethnic minority small businesses. With respect to employee relationships in small firms, some scholars (e.g., Markusen, 2003) posit that sufficient empirical and conceptual research has not been conducted to highlight the role of HRM as a managerialist approach. According to Ram et al. (2001), this argument is particularly true in the context of ethnic minority businesses in the UK. Because unlike other developed economies, such as the US and Australia where HRM practices in both small and large firms are informed by strategy formulation (Marlow, 2006), small firms in the UK tend to manage employee relationships on an informal basis (Ram et al., 2001 ; Wapshott and Mallett, 2015).

Specifically, unlike large organisations, which seek a strategic fit between business strategy, structure, and HRM policies, and practices in order to achieve superior performance (Ulrich, 2013 ; Guest, 1997), small firms generally manage workforce on an ad hoc, idiosyncratic, and informal basis (Ram et al., 2001). Additionally, while large organisations are not wholly formal, informality pervasively exists in small firms, though it is not contingent on size only but also depends on the context, because '*informality is dynamic... and is highly context specific*' (Ram et al., 2001, p. 846).

Finally, scholars argue that informality works for small businesses, because *'Working along largely informal lines can allow [small] businesses flexibility in their operations, enabling them to respond to challenges and opportunities'* (Wapshott and Mallett, 2015, p. 12). However, they also believe that the notion of HRM in small businesses is under-researched and needs to be understood in a coherent and articulate way (Marlow, 2006). According to Wapshott and Mallett (2015, p. 1), *'mainstream textbooks on both human resource management (HRM) and entrepreneurship pay little, if any, attention to understanding employment relationships in SMEs.'* How the sample businesses that are studied in this case study manage employee relationships is discussed in Chapter 7.

3.3 Chapter summary

Drawing on extant relevant literature, this chapter has identified eight different types of theoretical frameworks or models from ethnic and strategic entrepreneurship bodies of literature. These are the enclave theory, the middlemen theory, the interactive model, the mixed embeddedness model, the market disadvantage theory, the culturalist view, the human capital theory, and the resource-based view of the firm. The first six are located in ethnic minority entrepreneurship while the last two belong to strategic entrepreneurship. While these models explain ethnic minority entrepreneurship in one way or the other as individual concepts, none of them are fully capable to explain ethnic minority entrepreneurship/small business on their own. However, some of them are believed to be more helpful in answering the research question *'how do intangible human factors contribute to business success in ethnic minority small businesses?'* than others. These are the culturalist view and the mixed embeddedness model. Therefore, this study uses these two concepts as theoretical frameworks to answer the research question. It is expected that this thesis will contribute to and extend these two concepts, though the data will dictate the theoretical contributions.

In addition to the above eight models/concepts, this chapter has highlighted four overarching types of intangible resources. These are class resources (human

capital, cultural capital, and social capital); ethnic resources (collective action, bounded solidarity, and inter-group unionisation); knowledge, including knowledge sharing; and relational capital (gender and family relationships, and employee relationships).

The discussion that I have offered with regard to class resources and relational capital overlaps between the strategic and ethnic minority entrepreneurship literatures, whereas ethnic resources are predominantly based on the ethnic entrepreneurship. The concept of knowledge is underpinned by strategic entrepreneurship. These theoretical frameworks and the resources, that are discussed, constitute part of the current relevant major debates. The next chapter explains the methodology that is adopted in this case study.

Chapter 4: Methodology

As mentioned already, this study attempts to explore the perceived importance of Intangible Human Factors (IHF) for business success in a particular ethnic minority business community. As defined in the Introduction Chapter, IHFs in the context of the current case study refer to non-financial intangible resources that are people-dependent. The case is South Asian ethnic minority small businesses dealing in fashion and related accessories in West Yorkshire. The sample consists of owner-managers (hereafter owners) and employee-managers (hereafter managers).

This chapter provides a brief overview of the overarching research strategy (case study) that is adopted in this study. It then justifies the adoption of qualitative research approach, purposive sampling technique, semi-structured interview method, and inductive thematic coding. Finally, it sheds light on the validity of the research before describing problems faced during, and the methodological limitations of, the study.

4.1 Research strategy - case study

A case study strategy has been espoused in the current study, because it necessitates an in-depth exploration at a specific issue within a specific population, i.e., how owners and managers of South Asian ethnic minority small businesses in West Yorkshire perceive Intangible Human Factors as useful resources. In other words, the current study focuses on a segment of (ethnic minority) small businesses, because it is not possible to study every small business. Findings from this case will, hopefully, explain how IHFs are perceived as important resources for the success of (ethnic minority) small businesses.

By definition, a *'case study is a research strategy which focuses on understanding the dynamics present within single settings'* (Eisenhardt, 1989, p. 534). In particular, a case study *'is the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances'* (Stake, 1995, p. xi). Moreover, a case study strategy is a *'well*

established research strategy where the focus is on a case (which is interpreted very widely to include the study of an individual person, a group, a setting, an organization etc.) in its own right, and taking its context into account' (Robson, 2011, p. 135). Furthermore, *'a case study is an empirical enquiry that investigates a contemporary phenomenon 'case' in depth within its real-world context'* (Yin, 2014, p. 16).

While case study research is suitable for meeting a variety of research objectives (Zucker, 2009), it is particularly useful when the proposed research involves exploring *'a novel and contemporary phenomenon, and addresses the 'how' and 'why' questions'* (Henry and Foss, 2015, p. 1). In other words, a case study strategy generally tends to provide an answer (or answers) to an explanatory (how and/or why) research question (Tellis, 1997 ; Keat and Urry, 1982).

The research question in the current study is a *'how'* question (*'how do intangible human factors contribute to business success in ethnic minority small businesses?'*) that aims to explore a contemporary issue in its natural context, therefore, it requires a case study strategy and a set of qualitative research methods to be adopted. In short, a case study in social sciences is a research strategy/methodology that deals with a contemporary and functioning complex issue, which has to be investigated in its natural context (Johansson, 2007 ; Yin, 2014 ; Stake, 1995 ; Gerring, 2007).

With reference to its benefits, a case study can flexibly accommodate various data gathering and analysis tools to gain a deeper understanding of the phenomenon under investigation (Henry and Foss, 2015 ; Yin, 2014 ; Johansson, 2007). It facilitates an empirical enquiry that seeks theory building and generalising findings to existing theories (Yin, 2014 ; Johansson, 2007 ; Zucker, 2009), also called analytic generalisation (Robson, 2011). Since the overall aim in a case study research is particularization (not generalisation), researchers generally attempt to understand the dynamics of single settings (which may involve multiple cases) in terms of what it is and how it works (Stake, 1995).

The selection of cases is contingent on the stated goals. Multiple cases/samples can be purposefully selected depending on the data that is required (Yin, 2014). That said, case study strategy is sometimes criticised for selecting too few cases and is rebuked for being unable to generalise from samples to population (Tellis, 1997). However, case study strategy, specifically when qualitative methods are espoused, does not aim to generalise from samples to population, but to theoretical concepts (Tellis, 1997 ; Yin, 2014 ; Johansson, 2007). Moreover, a case study research can be used to meet a variety of research objectives including providing a descriptive account of a construct and building a theory or theory/hypothesis testing (Eisenhardt and Graebner, 2007).

The usefulness of case study strategy is summarised by (Stake, 1995, p. 3) as: *'We are interested in it [case study], not because by studying it we learn about other cases or about some general problem, but because we need to learn about that particular case. We have an intrinsic interest in the case.'* My own intrinsic interest is that, while I acknowledge that the types of IHFs that are studied in this case study are widely researched in strategic management, such research historically remained limited to large business settings only. Moreover, while I wanted to study how IHFs are perceived in small businesses, it is not possible to study even all small businesses owned/managed by SAEM in the UK, let alone all small businesses in the world. Therefore, I adopt a case study strategy that focuses in-depth on a small part of that population of small businesses with the aim that the findings may be generalised to existing theoretical concepts. The next section articulates the selection of qualitative methods in this research.

4.2 Qualitative research

The overall objective of this research is to explore how the participants perceive the usefulness of IHFs for the success of their businesses. According to Appleton (1995), qualitative researchers typically study phenomena where little is known. Burnard et al. (2008) believe that qualitative research is used where

little or no predetermined theory, structure, or framework is available. Similarly, Guest et al. (2012) argue that qualitative research guides a researcher about a social reality with an exploratory orientation. Thus, *'the aim of qualitative research is to understand and represent the experiences and actions of people as they encounter, engage, and live through situations'* (Elliott et al., 1999, p. 2016).

Since the selected topic¹² is an under-researched area and that the current study is aimed at exploring a *'how'* (not *'how many'*) question (McKeever et al., 2014, p. 458), qualitative research methodology will be more helpful than quantitative research methodology to answer the research question. For the sake of clarity, a short comparison is made between qualitative and quantitative methods in the following paragraphs.

Unlike quantitative methodologies, which seek to *'explain and predict what happens in the social world by searching for regularities and causal relationships between its constituent elements'*, qualitative methodologies posit that *'one can only 'understand' [a social reality] by occupying the frame of reference of the participants in action... One has to understand from the inside rather than the outside'* (Burrell and Morgan, 1979, p. 5). Moreover, qualitative research provides the opportunity to analyse a specific social reality in detail yielding unique insights from rich data (Cronholm and Hjalmarsson, 2011 ; Suter, 2011), which is typically not possible in research that tends to use a quantitative research methodology.

Furthermore, quantitative researchers typically already know what data they want to collect, they do not expect surprises during data collection, and they tend not to record data that they have not asked for even if their respondents tell them (Becker, 1996b). In contrast, qualitative researchers ideally *'put it all in, even what they think may be useless... They thus allow themselves to become aware of things they had not anticipated which may have a bearing on their subject'* (Becker, 1996b, pp. 3-4).

¹² The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

Qualitative methods are typically criticized for two reasons: first, small samples leading to no or poor generalizability; and second, researcher bias leading to biased judgment or interpretation of raw data and the inability of replication (Stenbacka, 2001 ; Morse et al., 2008 ; Mays and Pope, 1995). However, keeping in mind the overall purpose of qualitative research, these potential weaknesses have no practical implications for research, because qualitative research does not aim to generalise from samples to the population.

In order to improve quality of the overall research and to minimise researcher bias, this case study adopted a non-judgemental approach in data collection and analysis. Moreover, while some a-priori themes emerged from the existing literature, the final selection of the themes was informed by the data, that were analysed by adopting an inductive thematic approach. The data collection process is discussed next.

4.3 Data collection

This section explains the data collection process, which includes: sample selection, the pilot interviews and interview guide, the details of the participants, the interviews, and the transcription of the interview data.

4.3.1 Purposive sampling

Samples were selected purposefully based on the perception of the researcher about the suitability of the participants, also referred to as relevant cases (Sobh and Perry, 2006). According to McKeever et al. (2014, p. 460), the word '*purposeful*' means '*seeking out information-rich cases for study.*' This type of sample selection technique is a commonly used approach in qualitative research, specifically where the researcher is faced with a limited number of potential participants (Basu, 1998 ; Appleton, 1995 ; Janjuha-Jivraj, 2004).

An initial list of 22 business owners and managers from SAEM small businesses dealing in garments, textiles, jewellery, footwear, and related accessories, referred to as '*elements of a fashion industry*' (Hines, 2007, p. 2),

were selected from within Bradford and Halifax. Their selection was underpinned by a variety of reasons, including sub-cultural diversity, nature of business (wholesale or retail), and their role in the business (owners or managers). Nineteen were from Bradford and the rest (three) from Halifax. Four were wholesalers, and the rest (18) were independent retailers. The workforce ranged from two to 50. Four of them were employee-managers representing firms employing more than 30 staff, three were second-generation owners, and the rest (15) were founding owners. Seven of them represented family limited companies, one was from a private partnership, and the remaining (14) were sole traders.

Most of them were initially contacted over the phone, but a few were visited in person due to their phone numbers being unknown, followed by face-to-face meetings in which the overall aim of the research was explained to them. A two-page document, called '*Participant Information Sheet*' (Appendix 2), was given to them during the initial meetings, or through emails after contact was established with them. This document contained details of the research, including its purpose, scope, and how the data would be used. These details were explained to them again later, but before the interviews took place. These participants led to other participants.

4.3.2 Snow-balling

On request, the aforementioned 22 participants led to 33 more (potential) participants within Bradford and Halifax. This method of sample selection, known as snow-balling, is also an acceptable practice in qualitative research (Braun and Wilkinson, 2003 ; Basu, 1998). Subsequently, the data collection began with a pilot test of the semi-structured interview guide (cf. Appendix 6).

4.3.3 Pilot interviews and the interview guide

Two pilot interviews were conducted according to plan, which is a normal practice in this type of case study research (Appleton, 1995 ; Robson, 2011). One of them was an owner of a wholesale business, and the other was an employee-manager in a retail environment. One had Indian ethnic background,

and the other was of Pakistani descent. The interviews were digitally recorded. Based on the experience during these interviews and the feedback received from these participants, the semi-structured interview guide was revisited to make it a more effective data capturing tool. These changes included deleting overlapping open-ended questions, merging similar questions, and introducing new questions including probing and prompting questions.

These interviews were transcribed using Dragon Naturally Speaking (hereafter Dragon), a voice recognition software. Dragon was intensively trained in advance to recognize the voice of the researcher by reading random materials, allowing it to type up the researcher's voice on its own notepad, and making necessary corrections through both voice commands and manual editing. Following the pilot interviews, formal semi-structured interview schedules were arranged with all the 22 potential participants (including those who participated in the pilot interviews) spanning over a period of seven weeks.

Although the questions in the interview guide helped to cover each broad topic during the interviews, they were not relied upon as the only questions. A number of probing and prompting questions were asked during each interview. The selection of these questions was informed by the flow of the conversation, participants' knowledge, interest and enthusiasm about the topics, and their willingness/reluctance in sharing their experiences, perceptions, and thoughts. This in-depth interview technique provided the opportunity for both parties to remain on track during the interviews (Appleton, 1995). The following section portrays the breakdown of the participants.

4.3.4 The participants

This case study initially recruited 55 participants. Seven more were selected at an advanced stage of this study (will be discussed later in this chapter). Thus, a total of 62 potential participants from 57 South Asian ethnic minority small businesses dealing in garments, textiles, jewellery, footwear, and related accessories were selected from within West Yorkshire (cf. Table 7).

Table 7: Breakdown of participating individuals and businesses

	Participants	Businesses
Selected	62	57
Contacted	59	54
Refused to participate	12	12
Agreed to participate	47	42
Agreed but not interviewed	3	3
Interviewed	44	39

Two participants each from two companies having 21-30 and 31-40 employees were interviewed. One of them from each company had accounting and HR responsibilities, and the other was responsible for managing salespeople. Four people from one company having a workforce of 41-50 were interviewed, an owner-director having overall responsibility to look after the business, and three department-managers having responsibilities to run their units independently. Out of the 44 participants, two refused for their interviews to be recorded (one of these two interviews was not included in data analysis due to incomplete responses). Twelve interviews were conducted in Urdu and the rest in English.

4.3.5 The semi-structured interviews

Following in the footsteps of Appleton (1995), Basu (1998), and Fletcher (2017), I selected a semi-structured interview method to collect data. This method allowed uncovering the perceptions, experiences and ideas of the participants pertaining to the (perceived) importance of various IHFs for the success of their businesses. Most of the interviews were conducted on the premises of the participating businesses. However, two participants preferred to be interviewed at an appropriate outside location, which were conducted in isolated quiet rooms at the University of Bradford.

Participants were briefed once again about the information given to them already before the start of each interview (cf. '*Participant information sheet*' - Appendix 2 and '*Participant consent form*' - Appendix 4). All the participants read these documents themselves, except two who could not read in any language. One of them sought his wife's help while the other asked me to read these out for him. Informed consent was obtained from them prior to the commencement of the interviews.

Demographic data were collected using a '*Demographic data collection form*' (Appendix 5) before the interviews but after consent forms were signed. The demographic data were entered into an SPSS database for later use. Summary of the demographic data is given below (this excludes one interview, which was incomplete, already mentioned above).

Table 8: Summary of the demographics of the participants

Gender	Bradford	Halifax	Huddersfield	Keighley	Leeds	Dewsbury	Total
Male	25	3	2	1	2	1	34
Female	5	3	1	0	0	0	9
Country of birth							
UK	15	3	0	0	0	0	18
South Asia	15	3	2	1	2	1	24
Africa	0	0	1	0	0	0	1
Business Nature							
Wholesale	4	0	0	0	0	0	4
Retail	22	5	3	1	2	1	34
Both Wholesale and Retail	4	1	0	0	0	0	5
Business Type							
Family limited	13	2	0	0	0	0	15
Partnership limited	0	0	0	0	1	0	1
Partnership	6	0	0	0	0	0	6
Family	0	1	2	1	1	1	6
Sole Trader	10	3	1	0	0	0	14
Limited	1	0	0	0	0	0	1
Religion							
Hindu	1	0	0	0	0	0	1
Muslim	27	6	1	1	2	1	38
Sikh	2	0	2	0	0	0	4
Role of participant							
Owner	21	4	3	1	2	1	32
Employee	9	2	0	0	0	0	11
Founder							
Yes	15	2	3	1	2	1	24
No	15	4	0	0	0	0	19
Ethnic Origin							
Indian	7	0	2	0	0	0	9
Pakistani	23	6	1	1	2	1	34
Total participants	30	6	3	1	2	1	43

The interview guide contained 26 main questions, which were informed by the extant literature. This method of designing and using interview guide is in accordance with past published research (Wrench and Garrett, 2015 ; Laforest, 2009 ; Zhang and Wildemuth, 2006). The first two were warming up questions. Their purpose was to develop a conversation with the participants in order to

make them feel comfortable, which helped to develop confidence, trust, and respect between the interviewer and the interviewees. The last couple of questions were aimed to finish off the conversation by thanking them and giving them the opportunity to say anything else about their businesses, in addition to what had already been covered. The remaining 22 questions in between were focused on exploring the types of Intangible Human Factors that are considered important by the participants. The interviews were digitally recorded which, as opposed to note-taking, helped the researcher in listening and responding to the participants without distraction, and thus minimized the researcher bias (Beverley, 1998). The length of the recorded interviews varied from 30 to 90 minutes, which is deemed normal in this type of research (Appleton, 1995).

Some participants took a couple of short breaks during the interviews for reasons such as taking a cup of tea/coffee or answering a phone call. These breaks gave me the opportunity to stop recording and start again when they were ready, thus dividing the recordings into small and manageable chunks of audio tracks that helped in the management and transcription of the interviews using Dragon. Short memos were written immediately after each interview, which allowed me to record important issues that were not audio-recorded, such as body language of the participants, their reluctance or uneasiness or joyfulness in expressing their perceptions. These data (the digital recordings and typed-up memos) were copied to a hard drive on a personal laptop. A copy was also kept on a USB drive as a backup, both password protected. Overall, these 43 useful interviews left me with about 512 pages (A4 size, single-spaced, times new roman, 12 fonts) and about 3,696,000 words (approximately 7,000 words on each page) to deal with.

4.3.6 Transcription

The audio recordings of the interviews were transcribed verbatim, using Dragon, almost immediately after each interview. This method resembles the techniques adopted by Basit (2003) and Thornberg (2010), except the use of Dragon - an addition in this study. Dragon did not only help in transcribing the interviews accurately, but it also reduced the 5:1 estimated ratio of time to

transcribe qualitative interviews (Beverley, 1998) to 3:1, i.e., it took three minutes to transcribe one minute of recording. The interviews that were conducted in Urdu (12 interviews) were translated into English during transcription. Naturally occurring unnecessary noises, such as verbal affectations, were not transcribed. However, other body-language clues, such as a laugh or a deliberate cough or an un-natural pause, were included as these non-verbal communication clues generated unspoken data (Feldman, 1995) and provided the possibility to understand potentially hidden meanings in the interview data.

The transcriptions were proofread after they were typed up by Dragon. It was necessary to do so due to the frequent use of words/phrases and proverbs by participants (also called cultural domains or topologies (Ryan and Bernard, 2003)) from Urdu which were either translated into English or left in their original form depending on the possibility of retaining their meanings. This was particularly helpful to maintain the integrity of the participants' voice. The transcriptions acted as a pre-coding process because by the time I proofread them I had gone through each interview at least three times (listening to what participants had said during the interviews, listening to the digital recordings and shouting out to the software during transcription, and proofreading of the transcriptions). This process reinforces the argument that the analysis of qualitative data is a continuous process throughout the lifecycle of the research project (Basit, 2003 ; Ryan and Bernard, 2003 ; Appleton, 1995 ; Burnard et al., 2008). I will now discuss how data were organised and coded.

4.4 Data coding and analysis

This section highlights the data coding process. It includes: how the data were organised using NVivo and then coded in three phases by adopting an inductive thematic approach.

4.4.1 Data organisation

While a number of other computer-assisted qualitative data analysis software (CAQDAS) are available (such as Atlas.ti) for managing qualitative data

(Burnard et al., 2008), NVivo was used for data organisation, management, and retrieval in the process of coding due to the familiarity I developed with this piece of computer software. I started learning NVivo after I completed the graduate school modules about 10 months prior to the start of data collection. Two books (Bazeley and Jackson, 2013 ; Edhlund and McDougall, 2013) helped me, in addition to the resources available on the website of QSR International (www.qsrinternational.com), the company which developed NVivo. It should be noted that NVivo, like any other CAQDAS package, does not analyse data (Joffe and Yardley, 2004), but helps in data management including storing, retrieving, searching, and recording analytical thinking, besides ensuring that all the data are accounted for (Simpson et al., 2004). It also helps in creating links between different pieces of the project and generates outputs such as diagrams, word-clouds, and word frequencies. Thus, the use of NVivo made the management and coding/analysis of the data easier, more flexible, and more visible (Burnard et al., 2008) than otherwise could have been possible if manual methods were adopted (Bazeley and Jackson, 2013 ; Ishak and Bakar, 2012 ; Ozkan, 2004 ; Welsh, 2002).

Once the digitally recorded interviews were transcribed, they were loaded into NVivo. Individual transcriptions were assigned unique labels to anonymize the participants. These transcriptions were kept in a secure password-protected personal laptop. After the first batch of 19 interviews was brought into NVivo, 26 nodes were created representing the 26 broad questions/topics from the interview guide. These nodes provided the basis for coding/analysis of the interview data.

4.4.2 Data analysis

Thematic analysis or thematic coding approach (hereafter thematic analysis) was adopted in this case study to analyse the interview data. According to Braun and Clarke (2006), Fereday and Muir-Cochrane (2008), Guest et al. (2012), and Vaismoradi et al. (2013), thematic analysis leads to the identification of patterns from the data and helps to group related emerging categories together to develop overarching themes. Moreover, unlike typical

grounded theory approach, which identifies themes from within the data only by following a strict set of rules (Glaser and Strauss, 2009), and phenomenology which gives voice to the participants with no input from the researcher in data generation and analysis (Guest et al., 2012), thematic analysis identifies patterns by using a holistic approach in an iterative/non-linear way that allows *'to be open to whatever would emerge from the data'* (Light and Dana, 2013). Moreover, thematic analysis is not tied to any particular theory or epistemology, thus it offers flexibility and versatility in dealing with complex research situations (Braun and Clarke, 2006 ; Vaismoradi et al., 2013 ; Aronson, 1994 ; Bourgeois and Rosenthal, 1983 ; Joffe, 2011).

While thematic analysis is more flexible than many other methods, it requires some rules to be followed. Braun and Clarke (2006) and Saldaña (2009) have suggested six steps to be followed to ensure the credibility of the coding/analysis process. These, along with the equivalent steps taken in this research, are given in the following table.

Table 9: The six step process in thematic analysis/coding

Phase	Description of the process	Equivalent steps taken in this research
1. Familiarisation with the data	Transcribing data (if necessary), reading and rereading the data, and noting down initial ideas.	Interviews were transcribed using Dragon. Each interview was proofread, and the data were organised in NVivo. This was followed by first-phase of coding.
2. Generation of initial coding	Coding interesting features of the data in a systematic fashion across the entire data set, and collating data relevant to each code.	Initial coding began after half a dozen of the interviews were conducted. All of the interviews were subsequently coded.
3. Searching for themes	Collating codes into potential themes, and gathering all data relevant to each potential theme.	Nodes were created and collated under tree structures during both first and second phases of coding.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts and the entire data set, and generating a thematic map of the analysis.	Revisited the second phase of coding, analytic memos were written and attached to the corresponding nodes and child nodes that helped in generating the thematic map in coding phase three.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, as well as generating clear definitions and names for each theme.	Nodes were collated, merged, and in some cases, deleted. Memos were also revisited, and realigned. The thematic map was updated leading to the identification of broader themes, which were labeled with representative names during the third phase of coding.
6. Writing up	Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back the analysis to the research question, and literature, producing a scholarly report of the analysis.	Vivid and compelling extract examples were selected for the themes, and the findings chapters were written based on the exemplary quotes that were taken from the data.

Source: adapted from Braun and Clarke (2006); Saldaña (2009)

In addition, I am aware of the potential disadvantages of adopting thematic analysis. According to Roulston (2001), coding and analysing textual interview data using thematic analysis without taking into account the theoretical notion of reflexivity will produce only a naive account of the data. Braun and Clarke (2003) identified four possible weaknesses in thematic analysis: (1) the risk of describing data extracts without going beyond their specific content and without analytic narrative of the data; (2) using questions from the interview guide as the only source of themes without any analytic work done in identifying themes across the entire dataset; (3) lack of clarity of the relationship between the themes, i.e., the presence of too much overlap and/or the lack of internal coherence and consistency between the themes; and (4) a mismatch of the actual data that is collected and the claims made in the interpretation of the emergent themes, primarily due to the absence of compelling examples from the data to support the claims. The above potential weaknesses of thematic coding have been minimized in this study by adopting the following four strategies.

First, data extracts have been critically analysed in a way that makes sense in light of the participants' voices. Second, the questions in the interview guide were not the only questions asked during interviews, several probing and prompting questions were also asked depending on the contexts and the flow of the interviews. Moreover, as an inductive approach was employed in data analysis, the themes that were identified are grounded in the data, not in the questions of the interview guide. Third, while connections were found between and across themes (will be discussed later in Chapter 10), the themes are distinctively different from each other, there is little overlap between them. Fourth and final, the presentation of the findings (cf. Chapters 5 to 9) is informed by compelling quotes from the interview data. Thus, there is no mismatch between the data that were collected and the claims that were made.

That being said, other qualitative data coding and analysis methods (such as discourse analysis, phenomenological analysis, and grounded theory) may be exposed to a variety of potential weaknesses (including the above), if the researcher is not actively involved in data collection, if data is not analysed

thoroughly and analytically by asking critical questions about the data (Charmaz, 2014 ; Bazeley, 2009), if the physical, sociological, and psychological situations in which data were generated are not considered (Silverman, 1993), and if appropriate attention is not given to what participants said and the way they said what they said (Bazeley and Jackson, 2013). In short, like any other data analysis technique, thematic analysis inherits some weaknesses.

Thus, adopting thematic analysis is believed to be an appropriate data analysis method in the current case study, because it offers flexibility and is found to be more aligned with the overall research approach that is adopted in this study than other coding and analysis methods. Specifically, the way inductive thematic coding is carried out in the current study (discussed below) matches with the notion that participants' viewpoints reflect the reality that can be critically analysed to make sense of their unique situations.

4.4.3 The first phase of coding

Initial coding of interview data began after about half a dozen of interviews were conducted and transcribed. However, a more detailed first phase of coding (also called open coding) began after data from 19 interviews were organised in NVivo. The perceptions of the participants provided the unit of analysis (Simpson et al., 2004) as opposed to organisations or persons who represented these organisations (Boyatzis, 1998 ; Cassell and Symon, 2004 ; Kenny, 2012). Codes (also called nodes) were created in NVivo as they emerged from the data.

Open coding, according to each broad topic, made cross-topic and cross-participant coding possible, instead of carrying out coding for each interview independently. The first phase of coding was a lengthy and cumbersome exercise. A stop-start coding exercise remained in practice throughout this phase due to various reasons, such as documenting the process of coding in memos and writing analytical memos when ideas came to mind. The process of coding was documented in process memos in NVivo for each broad topic, and

these memos were hyperlinked to their respective nodes for subsequent easy retrieval. Documentation of the coding process continued during second and third phases of coding (cf. Appendix 9). The stop-start practice was bookmarked by a phrase '*stopped here*' within the relevant nodes that represented the broad topics. This bookmarking guided to start coding from where it was stopped and thus, prevented repetitive coding, saved time, and ensured that no piece of data was missed.

During the first phase of coding, responses were read line by line and word by word and then coded into nodes which were created while coding. Several categories (but not necessarily subcategories) that emerged from the early responses were based on the broad topics of the interview guide. A list of nine broad areas were identified (cf. Table 10) prior to data collection based on my own prior knowledge, understanding, predisposition, and ideas that were taken from literature (Ryan and Bernard, 2003 ; Elo and Kyngäs, 2007).

Table 10: Main topics identified before data collection

No.	Broad areas	Description/detail
1	Class resources+	These include human capital, cultural capital, and social capital that may exist and may be used in the sample businesses.
2	Ethnic resources+	These include collective life and collective action, bounded solidarity, and inter-group unions that may exist and may be used in the sample businesses.
3	Business success+	It defines various types of achievements such as the level of net profit, and the phenomenon of growing as a profitable business.
4	Effects of academic qualifications on business success*	This explains how these participants view the role of academic qualifications of their workforce (including the owners/managers) in performing their duties.
5	Effects of training on business success*	It explains to what extent participants believed that trained people are more productive than untrained or less trained counterparts.
6	Effects of experience on business success*	It explains to what extent participants believed that previous relevant experience is important for the success of their businesses.
7	Effects of individual and organisational knowledge on business success*	It deals with what role does knowledge and knowledge sharing play in achieving/sustaining business success.
8	Effects of culture and cultural values on business success+*	These constructs explain how ethic culture and cultural values affect the way this business community perceives they achieve and sustain business successes.
9	Effects of belief systems on business success+*	It sheds light on how belief systems impact the success of these businesses.

NB: + based on ethnic entrepreneurship literature; * based on strategic entrepreneurship literature;

+* based on both types of literature.

These categories made part of the five themes (cf. Figure 2 later in this chapter) not because they emerged from the literature, but because they emerged from the data. Overall, adopting an inductive thematic technique allowed a smooth

coding process where themes emerged from the voices of the participants, thus, making them true representations of the participants' viewpoints.

In the first phase of coding, sentences, in many cases, paragraphs, from the textual interview data were selected as units of coding instead of words in order to increase understandability for later use of these codes. This is a suggested technique for coding qualitative textual data (Bazeley and Jackson, 2013 ; Saldaña, 2009 ; Boyatzis, 1998) as it helps in identifying themes by merging or combining similar codes.

While I still preferred to code everything in the data as suggested by Saldaña (2009), by the time I completed the first phase of coding for up to topic five, I was able to recognize potentially important codes in the interview data. The differentiation of useful from trivial text was based on the repetition and the importance given to certain words and phrases by the participants during the interviews (Ryan and Bernard, 2003 ; Saldaña, 2009 ; Bazeley and Jackson, 2013). I then started asking myself six fundamental questions about the data in order to make sure that potentially important codes are not missed (cf. Table 11). These questions were repeated during the entire coding process, which helped in keeping the number of nodes in control instead of creating a large list of new nodes and facing the potential problem of '*viral coding system*' (Bazeley and Jackson, 2013, p. 104).

Table 11: Six questions consistently asked about the data during coding

1. Why do I need to code this text?
2. What is important in this text?
3. What is being said here?
4. Does this say something similar to what I have already coded so far?
5. Will I be losing important information by not coding this text?
6. Does it say something meaningful or is it just trivial information?

The time taken to code text under each topic varied from half a day (say 4 hours work) to four days (say up to 20 hours work). This depended on two things. First, the complexity of the topic, for example, '*the importance of on-the-job training*' was a more complicated topic and had a lot more material to read and to code than '*growth potential of the business for the next 12 months.*' Second,

as the coding process progressed, coding became easier and less time consuming than before due to my increased familiarity with the data. Specifically, the coding process for the second half of the main topics became almost like a sorting exercise where each piece of code was placed into nodes similar to a post office mail sorting practice where each addressed envelope is placed in a pre-labeled pigeonhole. The coding became even easier and faster after about half of the interviews were coded. Only few child nodes were created during the coding of the last about a dozen of the interviews as most of the codes from these interviews were placed into nodes, or child nodes, which were already created.

Saturation point was reached after data from the first 32 (out of the initial 36) interviews were coded and analysed. The last 4 interviews did not generate any new categories or even subcategories, although they reinforced the nodes/categories that were already identified. At this stage, it was tentatively decided to stop interviewing additional participants. However, seven more interviews were conducted later within West Yorkshire. The purpose of conducting these additional interviews and their benefits are discussed in the last section of this chapter.

Throughout the first phase of coding, nodes and the codes within them were compared, merged, split and/or moved from one place to another based on their relevancy to the corresponding categories/subcategories. These techniques helped to refine the codes and streamline the coding process (Charmaz, 2004 ; Bazeley, 2009). The first phase of coding resulted in 184 nodes, out of which 34 were parent nodes or potential themes.

4.4.4 The second phase of coding

The aim of the second phase of coding was to refine the aforementioned codes and to continue work towards identifying theoretical themes. The questions that were mentioned in Table 11 above were repeated. The process of comparing codes with each other, merging or splitting nodes, and/or moving codes and nodes from one place to another, was also repeated but in greater detail than in

the first phase. Most of the nodes were relabelled with more representative names in relation to the codes that they contained. Analytical memos for parent nodes were created with the same names. This style of naming analytical memos helped in retrieving nodes and their memos easily as the project progressed and became more complicated. Each of the text sources within the nodes was linked with analytical phrases written in the memos. This was done through 'See Also Links' (cf. Appendix 8) - a utility in NVivo that allows the linking of several sources to a memo (a memo itself can be linked to one project item only). Relevant external sources (such as journal articles, and websites) were also linked to these memos for later use. The aim of analytical memo writing was threefold: to keep a record of my own analytical thinking for future reference; to not lose sight during coding; and to make foundations for the interpretation of findings at a later stage.

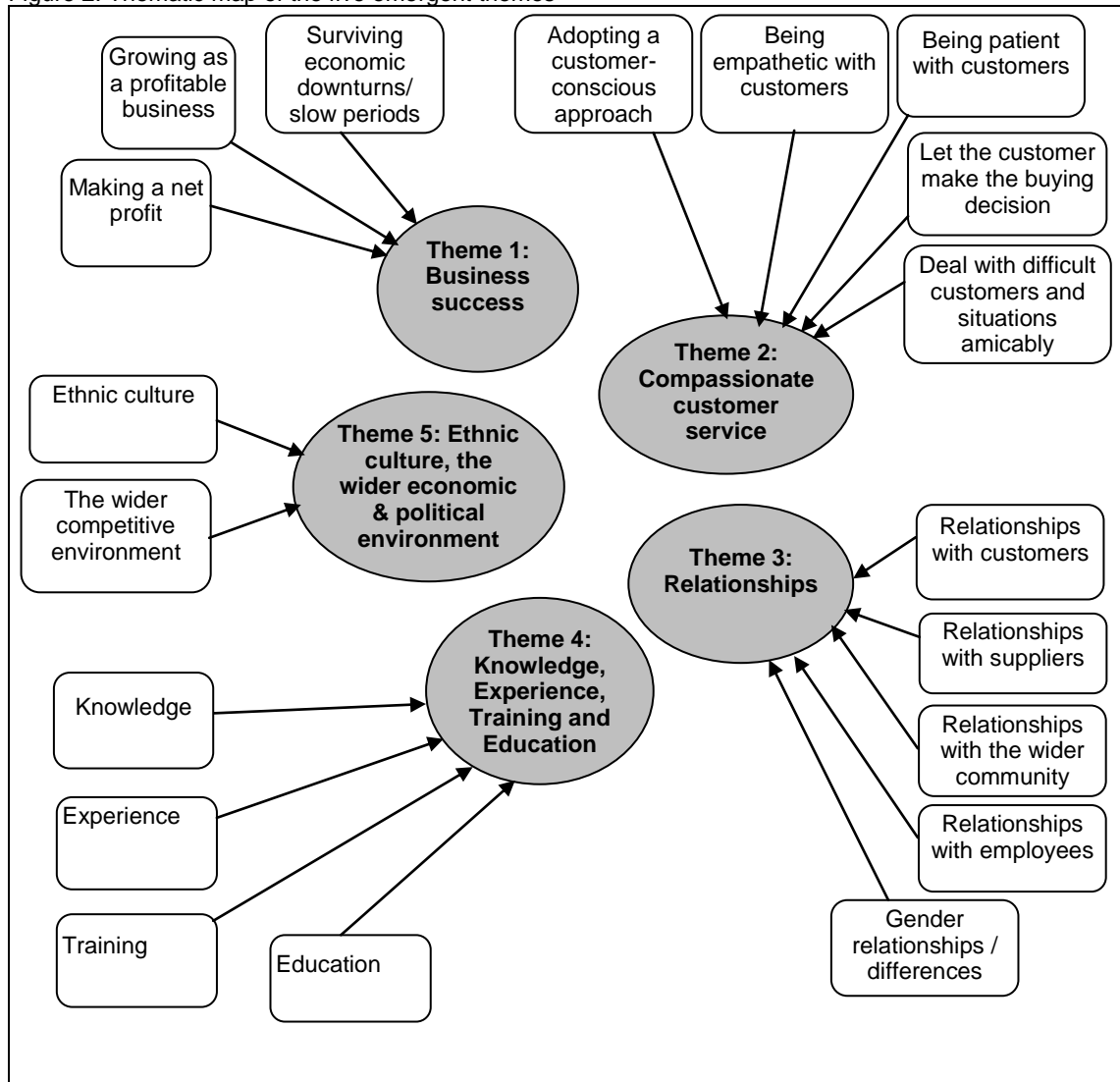
In addition, each node was linked with a memo, and the bodies of text in the memo were linked to all the corresponding sources from the interview data which were coded in the node. Furthermore, some bodies of text from within the memos were hyperlinked to other sources (such as journal articles) and were recorded in annotations (cf. Appendix 8) as notes to be used later. An annotation is another utility in NVivo which helps to link multiple pieces within as well as from outside the project. This way of recording thoughts/ideas as soon as they occurred in memos and annotations helped to relate them to other sources, such as the relevant extant literature. This process of documenting ideas also helped in keeping notes of what else might be needed later. This process was my own learning-by-doing. It helped me during the writing up of the discussion chapter (Chapter 10) to understand why a vast majority of my participants believed that '*on-the-job training*' (cf. Chapter 8) is one of the most important phenomena in the success of their businesses.

At the end of the second phase of coding, there were 29 parent nodes and 103 child nodes compared with 34 parent nodes and 184 child nodes that were identified in the first phase of coding. The following section explains how these nodes were reduced to a manageable number of conceptual categories.

4.4.5 The third phase of coding

The above 29 parent nodes were reduced to 24 categories after revisiting them. Scrutiny continued further based on the relevancy of the categories to the overall research question, repetition of codes under each category, and potential analytic value of each category. Subsequently, they were reduced to 19, then to 10, then to seven, and finally to five themes (cf. Appendixes 8 and 9), as shown in the following framework (cf. Figure 2), which portrays the main themes and their categories.

Figure 2: Thematic map of the five emergent themes



NB: The shaded circles represent themes. The clear rectangles show categories. The sizes of the shapes are irrelevant. The themes have strong similarities and relationships with each other, which are explained in the discussion chapter (Chapter 10).

These theoretical themes will be explained in detail in the findings/results chapters (Chapters 5 to 9). This framework was evaluated and re-evaluated

several times during data analysis. Although similar themes were found in the existing body of knowledge (cf. Chapter 3), the selection of the overarching themes was informed by data that were collected and analysed in this study. A brief description of these themes is given in Table 12 below.

Table 12: Description of the themes

Theme 1: Business success	This theme defines business success in light of the data that were collected and analysed in the current study. For the participants, business success ideally means making a net profit. However, growing as a profitable business, even if making little profit, and surviving, even if it means breaking-even only (without financial loss), was also considered business success.
Theme 2: Compassionate customer service	Compassionate customer service emerged as a major theme from the interview data which, according to the participants, has a great impact on the ability of these firms to achieve and sustain business success. They claimed that their customers are more than customers. They seemingly treat them like family and friends.
Theme 3: Relationships	Relationships with a number of external and internal stakeholders were perceived to have a great effect on the ability of these firms to succeed. These participants tend to keep two types of relationships with a range of stakeholders. These are instrumental and social relationships. These types of relationships so often overlap and complement each other.
Theme 4: Knowledge, Experience, Training, and Education	The amount of knowledge possessed by owners and managers, particularly about products and customers, and the way they share their knowledge with others within these firms were seen affecting their own and their colleagues' performance, which was perceived to be directly contributing to achieving/sustaining business success. Prior experience and training were also considered by participants as useful IHFs in a variety of ways. It appears to be the experience that brought many of them to this sector. They indicated that their experience and training made them confident in what they are doing. Education (academic qualifications) was described as less relevant to their business success than other forms of IHFs that emerged from the data.
Theme 5: Ethnic culture and the wider economic and political environment	Two structural factors - ethnic culture and a competitive market environment - emerged from the data, which were believed affecting the performance of these businesses and their overall success. The overall role of ethnic culture was highly praised as a driving force in the success of these businesses. The competitive environment essentially referred to the infighting between these coethnic businesses for the same customers. The last economic downturn, that led to the austerity measures, was felt fuelling the competitive pressure on these businesses.

Next, I will discuss ethical issues that were taken care of in this research.

4.5 Ethical issues

All possible important ethical issues were considered and discussed, along with mitigating/coping strategies, in the ethics approval form before data collection. These issues included: potential physical and/or psychological harm or distress to participants; the possibility of raising any issues of personal safety for the participants and/or the researcher; identification and recruitment of potential participants in a way that they are not over researched and/or not disadvantaged due to participation/non-participation; selection of any vulnerable individuals/groups such as people under 18, asylum seekers, and people with physical or mental disabilities; confidentiality and anonymity; and how the data

will be used, stored, and destroyed. The process of contacting potential participants and the subsequent data collection were started after ethics approval was granted by the ethics committee of the University of Bradford.

None of the above issues posed any concerns in the data collection and analysis in this study, perhaps, because of the social nature of the research - it did not involve any processes which could raise any concerns for the participants and/or the researcher. Moreover, since the participants were selected purposefully, followed by snow-balling, they were physically and mentally able people of mature age and were not from socially deprived, disadvantaged, or vulnerable groups. Furthermore, all of them were contacted in advance, and the interviews were conducted after they had given informed consent. They were assured before the interviews that confidentiality of their data, as well as their personal and organisational anonymity, would be respected and persevered. That has been the case so far and, hopefully, will remain to be the case even after the completion of this research.

Pseudonyms have been used for the participants in the analysis and presentation of the data, which is in accordance with acceptable normal practice in qualitative social research (Basit, 2003 ; Gough et al., 2009 ; Thornberg, 2010). Their data will be destroyed as per the University of Bradford rules and regulations - currently 10 years after completion of the thesis. Finally, participants were given enough time to decide whether or not they wanted to participate in the research after they were provided with '*participant information sheets and consent forms.*' They were given two weeks, after the interviews were conducted, to contact the researcher either through email or a mobile phone in case they wanted their information to be excluded from the analysis and the final report. None of the participants ever contacted me after the interviews for any purpose to do with this research, except one who wanted to know how my research was progressing and wished me good-luck.

All the possible efforts have been taken to keep the participants' data confidential and to present findings in a way that no reader could identify participants of this research or associate any statements to a particular

participant. It cannot be guaranteed that readers would always use findings appropriately. Once the results of this study become available in the public domain, the researcher will have no power to dictate/direct users/readers to use the findings in a particular manner for a particular purpose. Therefore, the researcher's accountability ends once the findings are published (Basit, 1995) while making sure the confidentiality and anonymity of the participants/participating businesses are maintained. From there onwards, it is the responsibility of the users to use the findings of this study responsibly and for the betterment of the wider population where and as applicable. The following section briefly mentions problems that were faced in this study.

4.6 Problems encountered

A few minor problems were faced during data collection. For example, despite prior agreement, two of the participants refused for their interviews to be recorded. The first was dealing with high-value consumer goods. Though not expressed verbally, it seemed that he was concerned about the potential risk of his goods being stolen or his trade secrets being leaked. He was highly reluctant in answering even basic questions, such as the number of people working in his company, let alone sharing his experience, perceptions, and beliefs with me. I did not insist on answers and/or his opinion. This interview was excluded from the analysis because it provided incomplete information. The second participant provided answers based on his experience, understanding, perception, and opinion. Notes were taken during this interview. It was included in the analysis.

One potential participant, whom the researcher happened to know from before, could not be interviewed despite prior agreement and arrangement of the interview with him thrice. This person also happened to be dealing with the same type of high-value consumer products. He contacted me just a few hours before the due time of the interview each time (thrice). He made excuses and asked if I could interview him another time, but did not refuse outright to participate in the research. After the third deferral, I requested him to contact me whenever he was ready for the interview. He never contacted me. We still

see each other in social gatherings, but we do not discuss anything about my request for the interview.

Twelve interviewees decided to communicate in Urdu. Since the researcher is well versed in all comprehensions of Urdu language, this did not pose a problem as such in recording the interviews and then transcribing them from Urdu to English. Finally, some participants could not be interviewed on the pre-agreed dates/time due to unexpected issues on their part, which did not pose a problem because the interviews were conducted eventually. Other than the above minor issues, this research project did not come across any problems.

4.7 Validity and reliability

According to Polit and Beck (2008, p. 196), the overall quality of research in qualitative research tradition can be summarised as: *'trustworthiness encompasses several dimensions'* including: **'dependability'** – *it refers to evidence that is consistent and stable*'; **'confirmability'** – *it is similar to objectivity* in quantitative research and *'it is the degree to which study results are derived from characteristics of participants and the study context'*; and **'credibility'** – the extent that *'the research methods engender confidence in the truth of the data and in the researchers' interpretation of the data.'* The steps that have been taken in this study with regards to the quality of the research are discussed hereunder.

After the five overarching themes emerged from the first batch of 36 complete interviews, seven more interviews from the same business community within West Yorkshire were conducted. The purpose of these interviews was to find out whether or not owners/managers of similar businesses in other towns within West Yorkshire have similar views as those who were already interviewed in Bradford and Halifax. The samples were purposefully selected. The interviews were conducted, recorded, transcribed, coded, and analysed in the same manner as that of the previous 36 interviews. While these interviews added value to the already discovered categories and themes, they did not lead to any new categories and/or themes. Findings from these interviews gave the

assurance and confidence that the data that were collected and analysed from the earlier 36 interviews were trustworthy (Patton, 1990), the equivalent of internal validity and reliability in quantitative research (Shenton, 2004 ; Appleton, 1995).

The aforementioned method of collecting additional data and analysing them to improve and/or verify the overall research findings is in accordance with past research and recommendations (Bazeley and Jackson, 2013). In addition, supervisors' advice was sought and taken on board at each stage during this research, a process called '*self-correcting*' (Morse et al., 2008, p. 13; Mays and Pope, 1995, p. 110), which also enhances quality of the overall research, and improves the credibility of the findings (Polit and Beck, 2008). Moreover, meticulous documentation has been maintained in terms of how and why each step was taken in this research as well as the outcome of each stage, a term referred to as '*auditability or audit-trail*' (Appleton, 1995, p. 996; Rodgers and Cowles, 1993, p. 219; Carcary, 2009, p. 11). This documentation, which was recorded using memos in NVivo, is believed to add value to the overall trustworthiness of the research (Vaismoradi et al., 2013 ; Braun and Clarke, 2006).

Finally, the five themes, the main categories, and the codes under them were discussed with five participants after coding was completed, a process referred to as '*respondent or participant validation*' (Burnard et al., 2008, p. 431). All of them confirmed that the overall findings of the research were broadly in accordance with what they believed and what they thought they had told me during the interviews previously. This type of verification helps to improve the quality of qualitative research (Appleton, 1995 ; Burnard, 1991) and reduces researcher bias (Burnard et al., 2008 ; Morse et al., 2008 ; Houghton et al., 2013).

4.8 Chapter summary

Contributing to answer the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this

chapter has delineated the methodological positioning of this study. It adopts case study as the research strategy, purposive (followed by snowballing) as the sampling technique, semi-structured interviews as the data collection method, and inductive thematic coding as the data coding/analysis technique. The chapter discussed in detail the reasons for adopting these approaches and offered a detailed description of the data that were collected from a specific ethnic minority business community (South Asian small businesses dealing in fashion-related products/services in West Yorkshire). It has outlined the processes of how data were recorded, transcribed, and coded/analysed, leading to the emergence of the five overarching themes that are presented in the next five chapters.

Chapter 5: Business success

5.1 The concept of business success

Before presenting the first of the five overarching themes, this chapter revisits the paucity of research surrounding the concept of business success. It then offers a detailed discussion of what business success means for the owners and managers who participated in this study. In doing so, it prepares grounds for the presentation of a number of IHFs and structural factors, which emerged from analysis of the data, and which seemingly affect the success of the sample businesses.

The concept of business success is a widely researched topic in the large mainstream organisations (Hansen and Wernerfelt, 1989 ; Hall, 1992 ; Carmeli, 2001 ; Heiens et al., 2007 ; Barney, 1991). However, even within these organisations, scholars tend to typically discuss this concept in terms of financial measures such as profit margins, business turnover, increased number of employees, customer- or self-satisfaction, innovation or the ability to innovate, survival, and business growth (Reijonen and Komppula, 2007 ; Hansen and Wernerfelt, 1989 ; Simpson et al., 2004 ; Goldenberg and Kline, 1999 ; Van Praag, 2003). Thus, the role of IHFs in business success has historically attracted little attention. The concept of business success itself is an under-researched, and inconclusive matter in the context of small businesses, in general, and ethnic minority small businesses, in particular, (Reijonen and Komppula, 2007 ; Simpson et al., 2004 ; Goldenberg and Kline, 1999). There are two possible reasons for it to remain an under-researched area.

First, the concept of business success in small businesses is a subjective matter and depends on the entrepreneurs' own internal feelings, in addition to other factors such as how outsiders view it. According to Reijonen and Komppula (2007, p. 691), *'It is argued that success is a subjective concept. All entrepreneurs have their own perceptions of what success means to them.'*

Second, small businesses hide more than what they reveal about the success of their businesses (Stormer et al., 1999 ; Goldenberg and Kline, 1999),

perhaps because they do not have shareholders to share their internal organisational information. Also, they hide information to avoid paying corporate obligations such as taxes (Madden et al., 2006). Subsequently, research on small business success by externals becomes harder than that of large businesses, because large businesses have to disclose certain details to external parties including shareholders and public officials.

Besides the aforementioned general paucity, the atmosphere surrounding the concept of business success becomes foggier regarding what role, if any, IHFs play in the success of small businesses (Reijonen and Komppula, 2007). This paucity remains despite (a) the highly appreciated role that these firms are believed to play in modern economies like the UK (Haq, 2015 ; Bank of England, 1999 ; Leeds.ac.uk, 2010), and (b) the highly valued role that intangible resources are understood to play in business success in large organisations (Hall, 1992 ; Carmeli, 2001 ; Heiens et al., 2007 ; Ertug and Castellucci, 2015 ; Barney, 1991 ; Haq, 2016). The current study attempts to narrow this gap by answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' The next section unravels the meaning of business success in light of the data that were collected and analysed in this study.

5.2 The meaning of success in the context of the current study

The term "*business success*" is a complex matter and is not precisely defined in the extant literature specifically in the domains of small business, in general, and ethnic minority small business, in particular. Consequently, researchers used different terms to define and explain this concept, although they more or less refer to the same concept. For example, Reijonen and Komppula (2007, p. 689) posited '*The terms "growth", "success" and "performance" are often very closely linked and are sometimes even used as synonyms in the research of entrepreneurship.*' Participants in the current research used similar terms to define the way they understand this concept in their small businesses. They considered three measures as business success: making a profit; growing as a

profitable business; and continuing to exist and/or survive difficult economic conditions. These measures are discussed next in turn.

5.2.1 Making a profit as success

From a profit-making perspective, participants defined business success as: *“success means, first of all, we need to look at the profit margin in terms of what you have invested and what the returns are”* (Shazia¹³, retail founder¹⁴); and *“if you [are] doing a business you need to look for your own profit”* (Rubi, retail and wholesale owner¹⁵). Shakoor (wholesale owner) felt that profitability is related to sustainability: *“success in business terms you need to be profitable, to be sustainable.”* Ameen (retail owner) agreed: *“the first thing for a business to be successful is, it should make some sort of profit... I would say profit or making economic gains will be the primary reason [for a business to be in existence].”*

Many other participants indirectly related profit-making to business success: *“I can see that I'm getting more and more customers which results in more sales and more profits, therefore, I will class my business as a success”* (Arif, retail founder). Aslam provided a more elaborative example of what success means and how it is achieved/sustained¹⁶ in this sector:

... business success is when you buy something in, fingers crossed, you would be able to sell that thing for 75 to 80% [more than your cost] that is business success... when you're able to sell the products at the prices you want to sell that's also business success... if you cannot make a profit, it's not a good business... (Aslam, retail manager¹⁷)

From a profit-making yardstick, Basit's (retail founder) business is perhaps a good example. According to his calculation, his business's turnover had increased 35% year on year since he started it three years ago. His net profit has purportedly risen in proportion. However, profit-making was not considered

¹³ This name and all other names of the participants are disguised to protect their identities.

¹⁴ A founder refers to a person who has founded the business.

¹⁵ An owner refers to a person who belongs to the business owning family but is not the founder.

¹⁶ The perception of how business success is achieved/sustained is qualified in more detail in Chapter 9.

¹⁷ A manager is an employee in the business with managerial responsibilities.

the only yardstick of business success. Some participants claimed growth also represented business success.

5.2.2 Growth as success

Saima (retail manager) exemplified how growth was considered a form of business success: “*we never had a dip in profits so far that’s really good*”, that is why we “*have been able to open one another branch.*” Majority of the research participants believed their enterprises grew modestly over the years without substantial changes in their physical, financial, or employment structures. Some of these businesses, however, enjoyed above-average growth over a period of short to medium term, between 3 to 12 years, depending on the age of the businesses.

Participants highlighted two types of growth as manifestations of business success: physical growth and employment growth. Physical growth meant opening new branch(s) and/or expanding an existing branch, or both, or entry into new markets while maintaining existing ones. Physical growth was defined by Zahid (retail manager) as: “*we opened new branches, so our growth has depended on opening new branches.*” Hamid (retail manager) added: “*we were two branches when opened [eight years ago] and now we have [over a dozen] shops in various areas all over the UK.*” Similarly, Saima (retail manager) claimed her employer expanded their business physically because their existing business was profitable enough to support the new branch: “*this business has gone better and better every year, and that was why we increased the business by opening a new branch.*” Thus, (physical) growth was linked to profitability, as epitomised by Mansoor (retail and wholesale owner): “*since we expanded physically, our profit has gone up overall*”.

Based on the sample and the range of opinions shown, it is difficult to categorically group these businesses into more or less successful businesses. However, it was noticed that some businesses were more growth-oriented than others. Those that sought growth, or physical expansion, either through product/service diversification or opening new branches or both, happen to be

newer and smaller businesses. Whereas larger¹⁸ and more established businesses sought financial stability, what Ashworth (2012) called growth-oriented and comfort-zone organisations, respectively.

The existence of this difference is perhaps because newer and smaller firms tend to be more flexible than larger organisations, as larger organisations at times resist to innovate or adopt innovation (McKelvie and Davidsson, 2009). Thus, the relatively newer and smaller businesses can be called '*entrepreneurial firms*' according to Wapshott and Mallett (2015, p. 4), who argued '*entrepreneurial firms*' are those that '*are experiencing growth or are taking steps to fulfil their aspirations for business growth.*' However, not all businesses in the sample followed suit. One larger and relatively established business sought expansion in overseas markets:

... in the last 6 to 7 years we considerably increased the business because we expanded into Europe... we designed new products which suited to that market which is totally different compared to England and we generate 25% of our business from Europe... (Kuldeep, retail and wholesale owner)

In the context of the current study it may be argued that while newer businesses tend to expand locally and in some cases nationally, older and more established businesses perhaps have greater growth opportunities through discovering new markets in other countries. However, since Kuldeep's statement represented a lone experience, it was difficult to expand further on the perception of discovering new markets abroad. Nevertheless, it was deemed appropriate to present this lone view as a variation in the data. Moreover, his business's experience perhaps reflects the potential of future expansion for businesses in this sector.

About employment growth, many participants did not consider it as a disparate phenomenon from that of physical growth. Rather, it was considered a

¹⁸ The terms smaller and larger in this context do not refer to the traditional definitions of firms based on their sizes as discussed in chapter two. The comparison is made within the selected small businesses.

consequence of physical growth: “because we opened new branches already so we, of course, employed more people” (Irem, retail manager); and “I started this business nine years ago from my car garage from my home, and I was the only person involved... and today I am employing 10 people [in this new business premises¹⁹] including a manager” (Jamal, retail founder). Ravinder narrated a similar success story of his business and explained how the creation of employment followed physical growth:

Basically, we started from scratch, from a little garage at my home and from there we expanded to a 3000 sq. ft. warehouse... we gradually increased from one member of staff, and now we are maintaining up to 10 staff... I have my own in-house accountant, I have admin staff I have sales staff, and also I have loading and unloading staff... hopefully, we will keep growing, and we want to expand more, and we want to increase from 10 staff to 35 members of staff... (Ravinder, retail and wholesale owner)

Based on the perceptions of the participants it can be, perhaps, argued that profit-making and business expansion are two dimensions of business success. It can also be, perhaps, argued that financial gains can potentially enhance or get enhanced by the growth of these businesses. Moreover, growth/expansion can be linked to benefiting these businesses in the form of generating more business, making more/new customers through networking, in addition to benefiting the entire local ethnic community by creating employment.

Besides financial profits and growth as manifestations of business success, a handful of newer and smaller businesses maintained that the ability to survive economic downturns in an increasingly competitive market is a form of business success. According to them, continuation of the business was equally important as that of profit-making and growth, as discussed next.

¹⁹ Jamal had recently moved his business from a rented shop to a double story refurbished self-owned building.

5.2.3 Survival as success

Relating survival to business success, Nasreen (retail owner) claimed: *“Surviving is success”*; and Aziz (retail founder) added: *“my business is still surviving... so I call it a success.”* Mubashar (retail owner) compared past performance of his business to the recent recession and described the success of his business as: *“previously we used to earn more money, but still we survived the downturn successfully so, therefore, I would say our business is a success.”* He further epitomised how survival can be considered success:

We are still here in this hard economic environment, and we're still surviving although we're not breaking any records or anything like that so to me any successful business is a business that can actually survive through the economic downturn and the recession... that is personally I will say a success, we saw the big economic downturn in 2007 and 2008 and during this period although we did not make any big money, however, we survived, and we did more than breakeven. (Mubashar, retail owner)

Thus, in line with some past studies (e.g., Van Praag, 2003 ; Simpson et al., 2004), continuation of business activities in a highly uncertain and volatile economic environment was considered a success criterion by the sample business owners and managers. Mansoor (retail and wholesale owner) narrated this perception as: *“if we did break even during the next 12 months I would class that as a success.”*

5.3 Chapter summary

The concept of business success in this study, similar to what has already been argued by many scholars (e.g., Simpson et al., 2004 ; Van Praag, 2003 ; Reijonen and Komppula, 2007), is a complex phenomenon. A homogeneous perception of what business success means for the participants did not emerge from the data. However, making a financial profit remains an important aim. For many participants, an equally important manifestation of business success is to achieve growth through an increased market share in the form of increased

customer base and through growth/expansion into existing markets or by discovering new markets. In addition to earning a net profit and experiencing growth, some participants defined a successful business as the one which continues its operations and meets breakeven specifically in uncertain economic environments such as rife and intense competition and economic downturns. This last perception of business success, specifically under dire conditions, matches with what has already been suggested by small business scholars that the longer an entrepreneur survives and stays in business the more likely his/her business will succeed (Van Praag, 2003 ; Goldenberg and Kline, 1999).

The perceptions of these participants regarding the role of Intangible Human Factors in their pursuit of achieving and sustaining business success is presented in the next four chapters (Chapters 6 to 9). Chapter 9 also highlights factors that were perceived to impede business success, as well as the steps that these participants said they take to achieve business success.

Chapter 6: Compassionate customer service

The second of the five emergent themes is compassionate customer service, a form of IHFs and a concept comprised of a set of customer service skills which allow a salesperson to relate well with customers typically in a face-to-face environment. Highlighting the role of customer service skills, the Chartered Institute of Personnel and Development (CIPD) in a recent study has argued that the provision of good customer service has the potential to lead a firm to achieve and sustain long-term business success (Houghton, 2017). According to Goldin (2016), the skills that the labour force in an organisation possesses are regarded as resources or assets. In view of this perception, and in light of the findings, the current study considers customer service skills a form of IHFs.

Extant scholarship, perhaps, has not explained the role of customer service skills for business success in small businesses, in general, and in ethnic minority small businesses, in particular, the way it has done in the case of large organisations (Parasuraman et al., 1991 ; Macintosh and Lockshin, 1997 ; Beatty et al., 1996 ; Bäckström and Johansson, 2006 ; Donovan et al., 1994). Underpinned in the perceptions of the research participants, this chapter develops an argument that the provision of good customer service, referred to as '*compassionate customer service*' in this thesis, is paramount to the success of their businesses. This may be true for many businesses in other sectors too, but what is unique to the participants in this study is that their ethnic culture perhaps shapes the way they provide customer service. They tend to adopt five approaches to provide compassionate customer service: adopting a customer-conscious approach; being empathetic with customers; being patient with customers; let the customers make the buying decision; and dealing with difficult customers or situations amicable. These approaches are discussed next in turn.

6.1 Adopting a customer-conscious approach

The research participants used different phrases/statements which somehow point to the concept of customer consciousness. For example, Tasleem (retail manager) stated: "*there is a particular way to deal with the customers.*" Others

were more direct to point what that “*particular way*” meant: “*all you need is a right attitude and a customer-oriented behaviour*” (Rajab, retail founder). The participants seem to believe that good customer service provision leads to business success: “*if your customer service is really good... it makes a success*” (Zahid, retail manager); and “*to be successful, you need to be patient and polite... with customer(s)*” (Aslam, retail manager). Good customer service provision was also linked to business success through customer loyalty and repeat business: “*once they go out happy they become repeat customers, which is very important for my business success*” (Akhtar, retail founder). The interplay between customer loyalty and repeat business is understood as: “*if the customer is happy... then the customer will come back... will also recommend other people to use our products and services*” (Jamal, retail founder); and “*if they [customers are] happy then obviously they will come back*” (Zubia, retail manager).

Therefore, there seems to exist a direct link between the service the customers receive and the perception of them becoming repeat-customers: “*if you have sweetness in your talk... that will have a long-lasting impression on their mind, and even if they do not buy anything at that time*” they will come back later “*that's how they become regular customers*”, Jasvinder (retail founder) stated. This line of argument has been highlighted by many extant scholars (e.g., Cegarra-Navarro and Dewhurst, 2006 ; Hughes et al., 2013). Kumar et al. (2006, p. 277) particularly argued: ‘*the future success of many retail companies will depend on how they can retain customers by means of individual propositions.*’

Among the participants, there appears to exist a near-consensus that the delivery of good customer service occurs when the core of customer service explicitly revolves around the needs of the customers rather than the implicit aim of meeting the commercial goals of the businesses:

... I know that people demand for catalogue suits... we provide tailored catalogue items we also do made to measure items and they can bring their own designs, then they bring photos in... or they bring in whatever

is in the fashion and in the market... (Rubi, retail and wholesale owner)

Good customer service provision is also considered to require each customer to be treated as a unique individual: *“some people may be shy and they do not want us to talk to them too much while others are friendly and talkative”* (Mubashar, retail owner). Moreover, each customer is perceived to have a unique need, which requires being understood and conceptualised in order to provide a tailored form of customer service: *“it is important for our business... to have in-depth understanding of... how each customer works... because it's not a fixed rule how we would work with our customers”* (Shahid, retail and wholesale owner). Moreover, the *“tailored”* or individualised customer service is required not only due to the uniqueness of customers and/or their idiosyncratic needs, but also because that is perhaps what the customers themselves expect: *“there is no one-way to deal two different customers... we need to take them particularly differently as they prefer to be treated that way”* (Umar, retail founder). Furthermore, *“you cannot paint everything with the same brush... you just got to be a little bit wary that you're not going to offend your customers, so you need to be a little bit careful when you're going to engage with them”* (Mubashar, retail owner).

By claiming to have been providing individualised customer service, these participants seem to refer to what is known as customer centricity (Shah et al., 2006 ; Gummesson, 2008). According to Lu (2011, p. 42), *‘taking a customer-centric approach is necessary to stay competitive.’* Anderson et al. (2007, p. 395) argue that customer centricity is *‘the only way to assure business success and... to re-align all aspects of business to a single factor - customer.’* Therefore, in contrast to the *‘value chain’* proposed by Michael E. Porter in his seminal book *‘Competitive advantage’* (Porter, 1985), that is essentially supplier-only-centric as it *‘virtually stops when the customer has bought something’* (Gummesson, 2008, p. 15), participants in the current study imply that they apply customer centricity in their businesses.

Good customer service provision, perhaps, also means understanding the social standing of the customers and then communicating with them accordingly

so as to create/reinforce a sense of mutual group belongingness: *"I need to understand the customers' level, and I need to come to their level while communicating with them"* (Didar, retail founder). Here is probably a hint of perceived class difference between these participants and their customers. Didar indirectly suggests that he belongs to a socially different (or superior) class than that of his customers' when he said: *"I need to come to their level."* Similarly, Hasan, along with many others, felt that communicating on the same wavelength as that of the customers' is an enabler in creating an environment of trust between them. However, Hasan also seems to believe that he belongs to an upper echelon of the social class within this ethnic community:

... I become very close friend with my customers, and once I serve a customer they do not go anywhere they come to our shop again and again... the technique I use with them is, I come to their level and be a gentleman and friend with them and have a genuine concern regarding their preferences and their likes... (Hasan, retail owner)

Trust has two dimensions: first, the '*perceived credibility*' between exchange partners, i.e., '*an expectancy that the partner's word or written statement can be relied on*'; and second, the '*perceived benevolence*' between them, i.e., '*the extent to which one partner is genuinely interested in the other partner's welfare and motivated to seek joint gain*' (Doney and Cannon, 1997, p. 36). On the one hand, it is perhaps trust that explains what is meant when these participants say they *"come to their customers' level"*, i.e., they are perhaps not showing off, but their aim is to make their customers feel *"comfortable"* as *"it's a business where you feel that customer has to be... comfortable and they feel right"* (Ravinder, wholesale owner). On the other hand, while they seem to indirectly differentiate themselves from their customers, based on social grounds, there appears to exist a psychological fear of losing customers, hence a sense of urgency to treat customers well while concealing that perceived difference. This is perhaps done by reading the customers through understanding their social standing and then understanding their needs/preferences so as to provide good customer service:

... we have a general idea when people come in through the doors that what type of people they are, although this is not judging them or prejudging them, but based on our understanding about them we deal with those people accordingly... (Mubashar, retail owner)

Thus, they seem to make conscious efforts to avoid “*judging them or prejudging them*” while they are striving to read customers, which they consider important to understanding “*what their [customers] needs are and what they want*” (Rukhsana, retail founder). It can also be implied that nested within a customer-conscious behaviour is perhaps a process of reactive adaptation aiming to create an environment of friendliness: “*it just depends how [you]... deal with these people [customers]... you have to be... friendly with them*” (Rubi, retail and wholesale owner). Among many excerpts, Zahid’s statement is an exemplary demonstration of how participants reactively adapt and modify their own behaviours:

... it really depends on the nature of the person because I believe people say things in private will not say things in public, because when I see people as customers in our shop floor my behaviour will be different with them, but if I see them outside as friends I might be behaving with them in a very different way... (Zahid, retail manager)

Through adaptation, they seem to find “*common ground*” and then offer a bespoke form of good customer service, which is believed to generate more business (Beatty et al., 1996 ; Clotey et al., 2008 ; Arnold et al., 2005). Kuldeep exemplified:

... by becoming friendly with them [customers]... you will be able to sell more... I personally... discuss many other things not related to business... the customers feel comfortable and feel finding common ground... that's how they buy more... (Kuldeep, retail and wholesale owner)

Many participants claimed that they go even further than just being friendly and described their dealings with customers like that of kinship: *“you need to treat your customers as family members... that’s the only reason they will come back to you”* (Musa, retail owner). Akhtar (retail founder), along with many others, emphasized on the consistency of providing good customer service irrespective of the expected immediate outcomes: *“I treat my customers as family members and I also welcome them in my shop even if they don’t buy anything.”* The notions of *“family-ness”* and *“friendliness”* are perhaps not distinct. Rather, they overlap, and so do their outcomes. Rukhsana typified:

To be successful, you have to be very-very friendly with customers, and you have to treat your customers like family, if you treat them... like your own... they will be more comfortable in buying from you, that is perhaps the reason... their children, the second and third generation, they are my regular customers. (Rukhsana, retail founder)

In other words, treating customers like *“friends”* or *“like family”* or *“treat them like your own”* seems to generate tangible benefits, such as loyal customers and repeat business. Out of many participants, including Rukhsana and Kuldeep (mentioned above), Mansoor highlighted:

... we do not treat our customers only as customers, we rather treat them as members of our relatives or close friends... that’s how the customers recommend their family members or friends to our business and that’s how we have increased our customer base. (Mansoor, retail and wholesale owner)

But, what about reciprocity of good behaviour? The answer perhaps lies in Didar’s (retail founder) statement: *“if I become humble they [the customers] will become even more humble and then, I need to be more sweet with them.”* Some participants even experienced that the *“family-like”* behaviour was sometimes initiated by the customers, let alone reciprocating it: *“sometimes the customers try to make us [feel] as their own children or family members... it may be the way we talk with them and the way we deal with them that they*

become very friendly and that they behave like family members" (Irem, retail manager). Thus, this type of good behaviour is perhaps not a one-directional phenomenon. It is perhaps underpinned by the shared cultural heritage, in addition to being rooted in the ethnic family value systems. Ali (retail founder) exemplified how a shared cultural heritage enables the delivery of good customer service in these words: *"I am in the Asian fashion industry, which means there are people in this area from... India, Pakistan and Bangladesh and our culture is more or less the same... that's why we can converse with each other very freely... like family."*

Besides the overall shared culture (a set of intangible conceptualisations, ideas, and physical objects), which seems to enable these participants to treat their customers like *"friends"* and/or *"family"*, the role of shared language, as a non-physical component of the shared culture, was successively praised by the participants. For example, Shazia (retail owner) highlighted the role of language in the literal sense: *"we have a lot of... clients who are from the Asian origin... we need to provide them that extra language support... which helps our business."* Others did so metaphorically: *"if your language is right and [if] you are polite then customers come to you again"* (Tasleem, retail manager); and *"I became successful through... my language with my customers"* (Rukhsana, retail founder). Thus, the role of language was valued highly as a medium of communication (in the literal sense) and as being polite, appreciative, sympathetic and responsive (in the metaphorical sense).

The use of language in ethnic minority entrepreneurship has been highlighted by extant scholarship as a facilitator in accessing ethnic resources including coethnic employees, suppliers, and customers (Evans, 1989 ; Simoes et al., 2016). According to Gremler and Gwinner (2008, p. 316), the shared language between people or groups of people is a source of *'common grounding behavior'*, which *'creates a connection between them'* and as *'the degree of similarity increases between [them]... so does the degree of attraction.'* These participants seemed to do in practice what Schwandt theoretically felt was happening when people communicate using language and other communication symbols or tools: *'The actor selects, checks, suspends, regroupes, and*

transforms the meanings in light of the situations in which he is placed and the direction of his action... meanings are used and revised as instruments for the guidance and formation of action' (Schwandt, 1994, p. 233). However, what is found different in the current study than the above mainstream studies is, perhaps, that these participants relate all these skills back to the shared ethnic culture instead of considering these attributes as industry standard best practice.

Nevertheless, there are indications in the data that this ethnic business community is perhaps not entirely homogeneous. Intra-participant perceptual contradictions or intra-ethnic diversity perhaps exists, though it was a minority view. Mani (retail founder) manifested the intra-ethnic diversity as: *"a Punjabi customer will have a different attitude, a Mirpuri customer will have a different attitude... you need to learn how to... deal with a particular person."* It is perhaps based on this intra-ethnic diversity, Qamar (retail and wholesale owner) believed bilingualism to be an advantage: *"we like to have staff, which are bilingual because then they can speak with English customers as well as Asian customers."* Thus, in line with extant scholarship that ethnic minority businesses generally tend to employ people who look like them and their customers (Ram et al., 2001 ; Light and Gold, 2000 ; Wapshott and Mallett, 2015), some participants tend to believe that employing a workforce that belongs to, and practices the same, culture and has bilingual capabilities creates instrumental benefits. Saima's (retail manager) statement is a typical one: *"we need to describe the brands we sell so that it relates to the culture, and many of our staff are bilingual and multilingual that enables us to speak to our customers in different dialects."*

Saima's belief - the products that her employer sells need to reflect the culture and shared values of this business community and their customers – is shared by Grewal et al. (2017), who felt that if the values between retailers and their customers are not aligned and are not congruent, then customers may not connect to the business of the retailer emotionally, that will make their engagement difficult, and that has the potential of losing customers. Taking this point further, Kumar (retail manager) exemplified why it is important to have a

workforce from the same culture: *“everybody working in this organisation are from the subcontinent... if they employ a person from another culture, they might not understand the cultural sensitivities and they... will not be able to deliver.”* Besides personalised customer service, including treating customers like family and/or friends, participants emphasised that a customer conscious approach also entails being empathetic with customers (Beatty et al., 1996 ; Parasuraman et al., 1991).

6.2 Being empathetic with customers

Empathy is achieved, the participants said, through conceptualising how it would feel if they were the customers: *“I always like to help them [customers] because if I were in that situation, I would like people to help me”* (Rubi, retail and wholesale owner). Umar (retail founder) said: *“we treat customers like you want to be treated yourself, respect them well.”* Nested in these statements is a consideration for customers, which is shared by many participants too, including Aslam (retail manager), based on his own experience as a customer: *“the most important thing is... treat the customer the way you want to be treated once you are out in somewhere else and become [a] customer.”* Rubi (retail and wholesale owner) exemplified how empathy is understood in these businesses: *“when you’re dealing with someone think of how you would like to be dealt with and how you want someone to talk to you, and that’s how you talk to them.”*

Thus, the concept of empathy, according to participants, is used as a tool to win customers’ hearts and minds not just business, though it consequently generates instrumental benefits. This is because empathy is an effective rapport-building tool, which enables employees to see things through the customers’ viewpoint, which results in making a customer’s shopping experience an enjoyably and memorable occasion (Gremler and Gwinner, 2008). It can also be argued that where empathy is involved *‘the employee’s behavior suggests he or she is truly looking out for the customer rather than trying to make a sale’* (Gremler and Gwinner, 2008, p. 316). Therefore, it may be inferred that empathetic behaviours in customer service may make customers satisfied with the service or the service provider and attract them

towards the products/business of the service provider, the participants believed. But customer satisfaction is considered an aim in itself (Reijonen, 2008). Umar felt:

... I don't think money as an objective, I think satisfaction of the customer is a long-term objective... in return, we will get many more customers...
(Umar, retail founder)

Customer satisfaction, as an aim in itself, is perhaps related to customer retention, because, satisfied customers become loyal and/or repeat customers (Anderson, 1998 ; Ranaweera and Prabhu, 2003a). Also because, '*satisfying customer needs and wants is the key to building loyal customers*' (Ranaweera and Prabhu, 2003b, p. 83).

In contrast, some participants acknowledged that not all customers at all times could be made satisfied. Some customers are not happy no matter what you do, Khalida (retail owner) stated. However, Khalida also believed that the vast majority of their customers ("80 to 90%") are happy with their services, only a fraction ("5 to 10%") is, perhaps, not happy. Therefore, customers who may be considered falling in the not-happy group are in the minority, according to participants. Nevertheless, the dissatisfaction was not solely blamed on the customers, it was recognised that occasionally salespeople fail to treat customers the way it is expected from them in this sector:

... [name of a manager] on the shop floor is problematic, I get a lot of customer complaints about him... maybe... he's serving three customers at a time, the other two are waiting, he can easily say to the other two, please wait, I will be with you in 15 minutes, but instead... he tends to ignore them... (Khalida, retail owner)

In the above excerpt, Khalida articulated what can be considered poor customer service. However, the notion of poor customer service was not a commonly expressed view in this research. Khalida represented a minority view which reflects a contrast in the data about the varying perceptions of good (or not so

good) customer service. The following memo that was written during the coding process demonstrates the paucity of poor customer service examples in the data.

Very few participants talked about poor customer service... but many talked about good customer service, its importance, and examples. That, perhaps, implies that the participants give more importance to positive aspects than negative... (Memo CustomerService-RC, noted 11 December 2014)

In addition to being empathetic, another important skill emerged from the data that seems to be similar to the ability to treat customers with empathy but not exactly the same.

6.3 Being patient with customers

The skill of being patient with customers is considered to bring wide-ranging benefits in retail environments (Beatty et al., 1996). The need to be patient with customers in this sector was exemplified by Babar, who having worked for 20 years in this sector, recalled a recent encounter with a customer where he unexpectedly spent four dedicated hours. His perplexity turned to relief when a good sale was made in the end. Here, the relief comes from the sale that was made, not from the provision of good customer service for the sake of it and making customers satisfied per se, though the relief is a consequence of the provision of good customer service. That, in a way, reaffirms that the overall intent of the participants to provide good customer service perhaps covertly remains underpinned by the commercial interests however it may be disguised otherwise, as stated by Mansoor (retail and wholesale owner): “*we just don't want customers to come to us once and then disappear, we want them to be our customers for their lifetime.*” Nevertheless, it does not mean exploitation of customers in any sense. Adil (retail owner) articulated the importance of patience in customer service in these words: “*in business, the most important thing is tolerance because sometimes you have nasty people walking through*

the doors and that they do not behave very well... you need to... show tolerance and maturity."

Being patient in this sector also, perhaps, means spending excessive amounts of time in dealing with customers, specifically where the transaction involves complicated and expensive items to deal with: *"you have to have at least 2 to 3 hours to serve one customer... you have to give enough time to them you can't just say this is a wedding Lengha²⁰ and look at it"* (Rubi, retail and wholesale owner). In addition, being patient with customers at times means sacrificing their own profits for the sake of making customers happy because *'After all, happy customers buy more'* (Esmark and Noble, 2016, p. 100). Jafar articulated this point as:

... it's our responsibility to be tolerant and be patient with them [customers], and listen to them carefully and try to... make them happy, 99% at least, such as giving them a discount... because you need to try your customers should go away happy, not angry in any way even if we lose £4 or £5... (Jafar, retail owner)

Thus, patience in customer service is related to the tailor-made approach that this business community keeps emphasizing. In line with extant scholarship (Beatty et al., 1996 ; Parasuraman et al., 1991), these participants felt that being consistently patient with customers is an important issue. However, the level of patience that is required is perhaps deeply situated in the context. For example, the level of patience needed to deal with wedding customers, who demand a considerable amount of time, may not be the same which an ordinary walk-in customer requires. Thus, the notion of being patient with customers requires the ability to understand each customer as a unique individual with unique needs, which links back to the *'Adopting a customer-conscious approach'* sub-theme. This perception, in theory, is highlighted by customer service scholarship as: *'The most obvious outcroppings of a customer-centered culture are the behaviors that senior managers and employees exhibit as they make choices about how to spend their time. Time spent with customers sends*

²⁰ A wedding Lengha is a typically expensive and complex piece of South Asian bridal garment.

an important signal' (Shah et al., 2006, p. 116). In the context of the current study, the '*important signal*' that the provision of compassionate customer service is a central concept is that it leads to '*Customer satisfaction [that] can certainly be a strong driver to success*' (Gummesson, 2008, p. 16). This notion was expressed by participants as: "*to do something above and beyond their expectations*" (Kumar, retail manager). In short, the participants in this study argued that the ability to deal with customers patiently leads to customer satisfaction and then to business success. But where does patience come from?

According to Babar (retail manager): "*patience comes with experience... that is how you know where to keep quiet and where to not keep quiet and what should you say and what should you not say.*" As an exemplar, Babar's statement reveals that patience does not only mean tolerating what the customers say or listening to what they want to say. It also means registering, and responding to, their requirements in a socially acceptable manner followed by taking appropriate efforts to fulfil their needs, which is perhaps informed by ethnic cultural values. If this skill is learned through experience then Kuldeep's statement is worthwhile to mention:

... he [his father, the founder of his business] basically taught us how to deal with customers and how to be respectful to them, it's not about being heated and having arguments with customers, everything has to be calm and have that experience of dealing with customers... (Kuldeep, retail and wholesale owner)

This last quote exemplifies how intragroup bonding social capital facilitates the transfer of key skills, such as customer service skills, across generations in this ethnic community, similar to the ways Alutiiq men have been teaching hunting skills generation after generation in Alaska (Light and Dana, 2013). The flow of bonding social capital, which helps in acquiring necessary business skills, does not seem to occur among family members only but perhaps from owners to employees too in a top-down direction: "*I started working for my employer as a salesperson, the owner is like my teacher, he taught me everything... how to*

sell to customers, how to talk to people” (Zahid, Retail Manager). In addition, these skills in these organisations seem to flow among employees too, and facilitates the spillover of key (customer service) skills from seniors to juniors: *“in most cases, people join us as helpers, and their job mainly is to load and unload and do other helping activities but... during quiet periods... untrained people get trained by the trained²¹ members of staff*” (Kumar, retail manager).

While it was felt that patience creates value for these businesses, the ability to be patient is perhaps not a homogenous phenomenon. For example, a 50 plus years old participant said: *“they [the young generation] cannot tolerate customers... the young generation today do not tolerate... people in any way*” (Rukhsana, retail founder). Her perception of customer service by young people perhaps reflects the notion that *‘young people are [seen as] suspect[s]’* in some societies where uncertainty avoidance dimension is considered to be high (Hofstede, 1993, p. 61). However, while she did not elaborate this particular perception her statement may also be interpreted as a perceived variation in the data or a consequence of lack of experience. Besides the aforementioned skills, assisting the customers but not making a decision for them was also considered by participants to be a valuable customer service skill.

6.4 Let the customers make the buying decision

The participants felt that providing a bespoke customer service entails a free and informed buying-decision that has to be made by the customers only. They do not believe in traditional hard selling approaches where selling is treated as a shotgun approach regardless of the customers’ needs and with little consideration for after-sale follow-up (Alessandra and Barrera, 1993). Rather, these participants considered collaborative selling more important than selling as a one-shot deal (Alessandra and Barrera, 1993). Collaborative selling was defined as: *“listen to the customers, let them feel that you are approachable and let them feel welcomed, at the same time not use pressure and bullying techniques to make them buy, you provide help to them to make the decision and you do not make the decision for them*” (Shazia, retail founder). These

²¹ Training, as an important constituent of Intangible Human Factors, will be discussed later in this thesis.

views about customers' freedom of choice and decision-making are more clearly exemplified by Rubi:

... you cannot go up to them, to a woman [for example] and then put clothes next to her and say, it looks nice on you, try this on, give the clothes to her, let her hold the clothes [herself] and let her try the clothes, and if she likes, let her make the decision, and you don't make the decision for her... (Rubi, retail and wholesale owner)

While these participants stressed on the importance of “*let them buy on their own speed*” (Shazia, retail founder), they also claimed that they do not remain passive onlookers when customers approach their shops. They seemingly facilitate their customers from the moment their customers are about to enter their shops, to when they leave the shops having made a purchase or even without. In between, customers are left alone if they so desire, Mani (retail founder) said. This approach seems to be similar to what Chu and Lam (2007, p. 152) suggested: ‘*retailers should provide the store environment that makes shopping convenient, relaxing and fun, instead of merely providing racks of clothing for consumers to choose from.*’

Moreover, the participants claimed that the provision of bespoke customer service, which is shaped by the customers' own informed decision-making, is not affected “*if somebody walks away without buying anything*” (Mubashar, retail owner), because “*if customers do not like anything they will not buy it*” (Jafar, retail founder). This warmth in behaviour with all, irrespective of whether or not a buying transaction has been made, is perhaps an outcome of the respect that they have for customers' rights, which seems to be underpinned in their own experiences:

... I hate if I go somewhere to buy something and somebody constantly looking at me and saying would you like anything?... I would say no, please leave me alone... let me look around when I need you I will call you... (Aslam, retail manager)

On a superficial level, the above quotes, as exemplars, might imply that these participants always welcome their (potential) customers even if no immediate business has been generated. But when scratching beneath the surface it can be seen that this does not seem to be the case always and everywhere. In other words, manifesting such seemingly unselfish behaviours in everyday business life, perhaps, points to the fulfilment of a much bigger aim in the long-term, i.e., to generate repeat business:

... when you go to other shops people try to sell their products no matter what, but I do not do that... even if somebody comes here to pass time and do not buy anything... I do not mind I still give them good service... this type of... customer service technique has increased the customers who come to our shop. (Tasleem, retail manager)

In short, these participants maintained that as a rule, they do not corner customers into a purchase in any way. According to Tasleem “*that's [what] they liked about*” these entrepreneurs and managers. Treating customers in a way that they do not feel pressurized but facilitated, and treating those who apparently have no intentions to buy with the same manners as those who actually make a purchase, is perhaps part of a philosophy of conducting business among this business community. But what happens when things go wrong?

6.5 Dealing with difficult customers/situations amicably

Earlier in this chapter, it was said that trust is an important factor among salespersons and their customers (Doney and Cannon, 1997). It was also suggested that trust is an outcome of customer satisfaction, which influences retention and positive word of mouth (Ranaweera and Prabhu, 2003b). Word of mouth is defined as ‘*the informal communication between private parties concerning evaluation of goods and services... rather than formal complaints to firms and/or personnel*’ (Anderson and Gerbing, 1988, p. 6). According to Light and Dana (2013), trust does not just come from somewhere, it has to be developed or earned in a reciprocal way. In a customer service environment

trust is earned, and then reciprocated, by listening to difficult customers and resolving their problems (Hudson, 2012). Participants in the current study expressed similar perceptions and felt that dealing with customers' problems amicably leads to building trust, which itself engenders more customers and/or more frequent customers: *"I and my wife [owners of the business]... like to deal with more problems than selling because when we deal with customers' problems effectively... we will get many more customers"* (Umar, retail founder).

These participants frequently and overwhelmingly compared the skills of dealing with customers' problems and difficult situations amicably to *"unique capabilities"*, and claimed that these skills bring instrumental benefits for their businesses:

... people... [with] unique capabilities... become very handy for the business... the business can be successful, as well as themselves... if the manager is not around when they have an issue with the customers they can handle difficult situations with their unique capabilities...
(Amjad, retail manager)

But what do they claim they do to deal with customers' problems/difficult situations amicably? There is no single technique as one size does not fit all (Cliff, 1998) and *"you cannot paint everything with the same brush"* (Mubashar, retail owner) (already mentioned). However, they tend to deal with difficult/agitated customers/their issues primarily by listening to them to *"try to explain things to them and keep them calm"* (Musa, retail founder) and/or offering them something that can calm their anger down, such as *"a cup of tea or maybe a glass of water"* (Usman, retail founder). The offering of something to calm their agitation down provides extra time for both parties to ponder over the problem and think about a possible solution, in addition to diverting the customer's attention away from the issue and making them feel comfortable. Dealing with difficult customers and/or situations was also felt to entail other measures, depending on each situation at hand, such as inviting another member of staff to take over as customers may not wish to deal anymore with the one who they are unhappy, Zahid (retail manager) said. Nasreen epitomised

how agitated customers behave and what she and her colleagues do to defuse the situation:

... we get some customers in the shop... agitated and angry... they make a big problem so we need to... listen to them and... try to calm them down even if they are wrong... you don't want to lose customers and this is how we have been handling customers in our shop.... (Nasreen, retail owner)

Others tend to internalise the problems the customers come in with. Here, again, empathy plays its part, but in a different way, i.e., the aim to defuse a conflict with customers is to appeasing them in contrast to pleasing them. These participants seem to be very concerned about appeasing agitated customers, perhaps because they understand that dissatisfied customers are twice as more likely to engage in negative word of mouth as satisfied customers (Anderson, 1998) and that negative word of mouth causes anger and creates a poor image of the business (Sweeney et al., 2008).

Underpinned in his own experience, Musa (retail founder) articulated how he internalises customers' problems/complaints: *"the first thing I do is finding out what their problem is because the problem is related to your business and by doing so you can bring in the nature of the problem and understand it."* He then puts the customers in a cooperative, rather than antagonistic position: *"ask the customers how they would sort it out if they were in your shoes?"* This shift of position, perhaps, paves the way to an agreeable and negotiated outcome as *"that itself makes them think and defuses the situation"*, Musa said. Musa's exemplary excerpt uncovers the perception that if the problem a customer comes in with is not dealt with effectively, it has the potential to cause damage to the business. Moreover, it shows that this mindset lets the participants develop a commitment to finding a mutually beneficial solution. But where do the skills to deal with difficult customers or situations come from?

These skills are seemingly learned by working within these organisations over a period of time, Nasreen (retail owner) felt. Umar (retail founder) stated: *"The*

source of how we acquire these capabilities is the customer because the customer teaches you over a period of time how to make yourself better.” Thus, experience seems to be an important source for the development of good customer service skills. The following two extracts further highlight how experience leads to the acquisition of skills that are necessary to deal with problems and difficult customers/situations.

... sometimes my staff jump in without much planning and thinking and they resolve the issue very amicably, this is because the experience they acquired by watching me doing different things and then replicating that in problem-solving... (Didar, retail founder)

... [name of a manager] is very good in solving problems... when people come out after having a... meeting... [with him, they] feel differently, he deals with situations very carefully... because of his... experience. (Khalida, retail owner)

6.6 Chapter summary

Past research has shown that service quality in a retail environment is one of the determinants of customer loyalty, as it influences the willingness of customers to recommend the retailer's products to other people - product quality and brand image being the other two (Clottey et al., 2008). But service quality in this sector is defined differently from that of the mainstream sectors/industries, where service providers tend to focus more on the aforementioned three determinants. In contrast, these participants seem to pay a great deal of attention to the way they interact with their customers. However, it appears that they do so within the framework of their ethnic culture and family value systems. In particular, what has been found interesting in this study is that the cultural resources drawn on by the participants when defining good customer service seem to be markedly different from those drawn on in the wider economic environment (Beatty et al., 1996 ; Anderson et al., 2007 ; Anderson, 1998 ; Clottey et al., 2008).

Moreover, according to the participants, a great level of customer satisfaction is achieved only when each customer is dealt with on an individual level, who has needs that are distinctively different from the needs of others. It may seem ambitious to treat every customer differently, but they tend to serve customers based on how they themselves wish to be treated in order to make sure that a bespoke form of customer service delivery happens. They employ empathy and exercise utmost patience when dealing with customers. Past research has already found these attributes of service providers to be contributing factors in customer service, but only in the context of large organisations (Beatty et al., 1996 ; Parasuraman et al., 1991 ; Bowden, 2009).

Besides being empathetic and patient with customers, part of providing good customer service seemingly depends on the ability to effectively deal with difficult customers and/or their complaints. Scholars have argued that '*greater satisfaction with complaint handling*' triggers positive word of mouth (Anderson, 1998, p. 6), and '*The more satisfied the customers are, the greater is their retention, the positive word of mouth... and ultimately, the financial benefits to the firms who serve them*' (Ranaweera and Prabhu, 2003b, p. 82). The participants in this study seem to be very concerned about dealing with customers' complaints effectively. They claimed that they use three techniques frequently to deal with difficult customers and/or their complaints: calm them down by listening to them and offering them something to relax and/or an alternative service provider; put them (the customers) in their own (these participants') shoes in an intelligent way that they do not feel disrespected; and internalize the problem of the customers to feel what would they expect if they were the customers as well as to find a possible, and acceptable, solution.

These participants considered experience (including time itself) as the source of acquiring these skills. However, experience, that is valued, is gained and applied within the context of these, and similar, businesses, perhaps, because they deal with a customer base that predominantly belongs to the same ethnic culture as they themselves. Therefore, the ethnic cultural capital, perhaps, plays a greater role than other factors in gaining such skills. In other words, the skills they need to deal with difficult customers and/or their complaints depend on

understanding the core of the culture of their customers to which they themselves belong.

More generally speaking, these participants highly value the ability to understand the ethnic culture of the customers, because it enables them to provide good customer service and it provides the basis for delivering good customer service in this sector, they perceived. Accordingly, individual customers are served in this sector in a manner that is in accordance with, and informed by, the shared ethnic culture among them. The service culture explicitly seems to revolve around the needs of the customers, instead of the desires of the businesses. However, the highly socialised customer service provision generates many instrumental benefits for these businesses such as customer loyalty, repeat customer, frequent customers, repeat business, and positive word of mouth, by the customers about these businesses/their products/services – all contributing to business success. While there is no one unique way to deal with customers as each customer is ostensibly treated as a different individual with needs different from all others, the bespoke form of individualised customer service is repeated depending on the social standing of the customers, their needs, and the specific context.

With regard to theoretical contribution, through answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this chapter contributes to and extends two bodies of literature. First, the customer relationship marketing literature, the works of many authors (such as Dagger et al., 2011 ; Doney and Cannon, 1997 ; King and Burgess, 2008 ; Macintosh and Lockshin, 1997 ; Beatty et al., 1996 ; Bäckström and Johansson, 2006 ; Clottey et al., 2008 ; Kaltcheva and Weitz, 2006 ; Parasuraman et al., 1991 ; Anderson, 1998 ; Bowden, 2009). Second, the literature surrounding the culturalist view of ethnic minority entrepreneurship/small business (e.g., Aldrich and Waldinger, 1990 ; Volery, 2007 ; Danes et al., 2008 ; Basu and Goswami, 1999 ; Altinay, 2008 ; Altinay et al., 2014 ; Chand and Ghorbani, 2011 ; Light and Dana, 2013 ; Light and Gold, 2000 ; Basu, 1998). Besides contributing to and extending extant scholarship,

these findings are unique for at least two reasons, both of which are deeply rooted in the ethnic culture.

First, children from a very young age are educated about the tenets of filial respect, responsibility, and piety in South Asian culture (Choudhry, 2001 ; Victor et al., 2012 ; Gupta and Pillai, 2002), in particular, and in the Asian culture (Lai, 2010 ; Allen and Evans, 2017), in general. This doctrine seems to be passed on from one generation to another through practice (Choudhry, 2001 ; Victor et al., 2012). The transfer of these values has ostensibly developed a strong desire among them to maintain the integrity of their cultural and family value systems in their dealings with others including customers. These findings, perhaps, make the reader(s) believe that (a) these entrepreneurs and managers internalize the concept of respect and responsibility in their businesses, perhaps similar to the way they do so within their family and social lives; and (b) the motivation to provide good customer service in this sector is driven by the cultural and family value systems.

However, the internalization of filial respect and responsibility in this business community seems to be in contrast to that of the old women from South Asian descent living in Canada, who unexpectedly felt that the sense of filial respect was missing in the homes of their sons (Choudhry, 2001). Therefore, it may be suggested that while their culture and family value systems shape how they deal with customers, the particular way in which they seem to have internalised filial-like respect and responsibility in their businesses could be a peculiar phenomenon relevant to this particular business community only.

Second, the individualistic cultural tendencies of '*time is money*' (Cannon et al., 2010, p. 517) do not seem to be in practice in their sector. Instrumental benefits, such as financial gains and sales or profit maximisation, alone do not seem to drive the motivation of respecting customers and dealing with them honestly. The sample owners/managers rather seem to be equally concerned about ethical ways of doing business. However, their ethical ways of doing business, perhaps, generate instrumental benefits even if they are unaware of such benefits. Therefore, in line with extant scholarship (Clotey et al., 2008 ; Grewal

et al., 2017 ; Saeidi et al., 2015), adopting a customer-conscious approach and employing ethical ways of doing business, something these participants said they do, potentially generates instrumental benefits, such as repeat business, which this business community seemingly values very highly.

That said, there are some clues in the data that while the participants in the current study consider having a customer-conscious approach to be of paramount importance, they do not seem to aim to provide good customer service at all times to all customers for the sake of it. Rather, their endeavours to provide good customer service seem to be (implicitly) informed by the desire of meeting long-term strategic commercial interests. For example, statements such as *“end of the day this [success of the business] gives you the bread and butter”*²², *“it’s a business where you feel that customer has to be... comfortable and they feel right”*, *“make them happy, 99% at least”* and so on perhaps provide strong clues of meeting their underlying commercial aims disguised in providing good customer service. Moreover, these and many similar statements are, perhaps, indicative of other pressures pertaining to business success in this sector. These pressures, which may be coming from the general market conditions or from other not-yet-clear source(s), probably compel these participants to do whatever it takes to keep attracting customers to their businesses. These are potentially important issues, and they will hopefully come to the fore in the chapters that follow.

The most intriguing scholarly concept that emerged in this chapter is the notion of kinship and friendship that seems to be inherently present in all aspects of providing good customer service in this sector. The entrepreneurs and managers use this concept as part of their definition of good customer service. What that means in practice in their businesses is, perhaps, that they consider treating customers with utmost respect as an obligation that is probably grounded in their ethnic culture and family value systems. Nevertheless, while they claim they tend to provide best possible customer service, even if at times it costs them in doing so, their behaviours may not be purely altruistic. They seem to aim to achieve their long-term business objectives by way of making

²² These statements are repeated here for clarity.

happy customers who can stay loyal to their businesses. While these claims may be considered as biased reflections of the perceptions of the participants, it can be argued that understanding the collectivistic ethnic cultural sensitivities (Schwartz, 1999) is, perhaps, a prerequisite to providing good customer service in this sector.

However, while these skills seem to have been developed and utilised within the South Asian ethnic cultural frame of reference, this group may not be considered as a universally homogenised ethnic group because this notion may vary from one (local) context to another. They claimed, they adopt unique ways of providing customer service depending on several factors, such as the social standing of the customers, their unique needs, and the specific context at a given point in time. Future research needs to explore whether or not the findings in this study are peculiar to this ethnicity, sector, or geographic area only. Moreover, keeping in mind the highly valued role of ethnic culture in this sector, practitioners in other sectors and geographic areas, perhaps, need to think about if understanding the ethnic culture and cultural sensitivities of their customers make any difference for the success of their businesses. By understanding the specific factors that play a crucial role for business success through providing good customer service, policymakers may also be able to design and execute small business support policies to encourage entrepreneurship at a time when the growth of the private sector is needed now more than ever (Ram et al., 2012).

Having said that, it is acknowledged that there are some weaknesses in the data. For example, since the customers' viewpoints have not been sought in this study, it is difficult to make any claims with certainty based on the perceptions and experiences that were expressed by the participants. Moreover, this study collected a large amount of unstructured data from a small sample (43 participants) from within a particular sector (South Asian fashion) in a small geographic area (West Yorkshire), which makes the findings ungeneralisable. However, the aim of this study is not to generalise findings from samples to population, but to theatrical concepts. In addition, this study extends extant scholarship as elsewhere it has been found that dealing with

customers with respect and friendliness leads to more and greater purchase intentions (Macintosh and Lockshin, 1997 ; Beatty et al., 1996). It has also been argued that creating a retail environment, where customers can feel as if they are dealing with friends and not with hard-selling sales agents, entails a strategy that has to be tailor-made (Menon and Dubé, 2000 ; Goff et al., 1997). Furthermore, it has been suggested that customer satisfaction and success eventually becomes corporate success (Gibbert et al., 2002). Therefore, based on the data in the current study, it can be suggested that the act of personalised friendly customer service provision contributes to business success. In addition to the importance of the bespoke customer service skills, as a type of IHFs that is predominantly underpinned in the ethnic culture, another IHF called relationships or relational social capital, also emerged as a major theme.

Chapter 7: Relationships

The previous chapter explored how the participants seemingly understood customers, their needs, and their preferences and then purportedly developed an understanding about their shopping attitudes that were perhaps predominantly shaped by the shared ethnic culture. However, these interactions were typically limited to a face-to-face environment. This chapter takes that argument further and explores how these interactions are perceived to evolve into sustainable relationships, another form of IHFs.

Building on past relevant scholarship (e.g., Barnes, 1997 ; Gremler and Gwinner, 2000 ; Gremler and Gwinner, 2008), and based on the data in this study, I understand and define:

A relationship is the outcome of repeated interactions between two or more individuals/parties that are underpinned in mutual trust and respect, which have the potential of generating tangible/intangible benefits to the individuals/parties involved.

The above definition inherently implies that the continuation of the relationship warrants the continued stream of benefits for those who are involved, although the proportional benefits for each individual/party can vary and can be a highly contextual matter. In a way the current chapter also discusses how these benefits are perceived to occur according to the data.

There is no complete harmony in the extant research with regard to when an interaction can be considered as a relationship. For example, according to Barnes (1997, p. 770), *'There is agreement that a relationship implies a degree of continuity between successive interactions... But a succession of interactions does not necessarily lead to a relationship.'* In contrast, Gremler and Gwinner (2000, p. 83) believed that a *'relationship occurs when a customer has repeated interactions with the same (service) provider.'* They felt that a close relationship *'is characterized by longer transactions and interactions that are of a more personal or intimate nature'* (Gremler and Gwinner, 2000, p. 94). The discussion on relationships in this chapter leans more towards Gremler and Gwinner's view

than that of Barnes's understanding, because the participants seem to understand relationships stemming from repeated interactions: "*when they [customers] come to you to buy something, and they pay money to you, it [the relationship] does not end there*" (Rukhsana, retail founder). Many other participants, including Kuldeep (retail and wholesale owner) felt: "*it is a personalized relationship between ourselves and our customers.*"

Participants strongly believed that relationships lead to many benefits including making loyal customers or making customers loyal. These relationships were not limited to customers only, but with other external stakeholders too, including suppliers, the wider local community, and local governmental institutions, in addition to their own workforce. This chapter highlights these relationships in turn. It finally presents a glimpse of gender-based differences in the sample businesses.

7.1 Relationships with customers

The importance of customer relationships is highlighted by Dagger et al. (2011, p. 273) as: '*customer relationships are essential to creating a competitive advantage and thus gaining the economic benefits derived from customer retention.*' O'Malley and Prothero (2004, p. 1287) felt: '*relationships [with customers] have come to be regarded as an important source of competitive advantage.*' In the context of this study, the benefits of good relationships with customers were summarised by Shakoor (wholesale owner) as: "*good relationships give you the loyalty, the benefit of doubt... the ability to put things right in case if anything goes wrong... if you don't have a [good] relationship you will be blown out of the waters very quick.*"

Two types of relationships emerged between this business community and their customers from categorisation of the data. These are instrumental and social relationships, though participants did not elaborate the former as much as they did the latter. These are not discrete forms of relationships as participants implied that either they overlap or promote each other. I will first discuss

instrumental relationships and then reflect upon social relationships with customers.

According to Casciaro et al. (2014), instrumental relationships are often aimed at or result in, a selling-buying transaction that is driven by a desire to gain specific commercial benefits that may include making financial profits, maximizing sales, and/or making loyal or repeat customers. Likewise, Abdul-Muhmin (2005) argued that instrumental relationships refer to relationships that are underpinned by instrumental factors such as quality of the products and services, price of the products, and delivery of the products. But how do instrumental relationships begin to develop?

Culturally important festive occasions, such as “*Diwali*”, “*Raksha Bandhan*”, “*Eid*”, and/or “*Christmas*” usually provide an initial opportunity to build and/or enhance instrumental relationships with customers, as exemplified by Shazia (retail founder): “*we send greetings on special occasions such as Eid, Diwali, and Christmas... to make them [feel] that they are not just customers, but they are more than customers.*” Their modus operandi is that they make products available for (potential) customers which are suitable for these occasions and then publicize these products using a variety of methods:

... we send leaflets to customers to let them know regarding any new stuff coming in, and any offers specially during festival time such as during Ramadan and Eid... we also send... personalized letters... and invite them... to come and visit our company... (Saima, retail manager)

While the celebration of cultural festivals may provide a good opportunity for establishing instrumental relationships, these participants claimed that they go beyond meeting the customers’ needs and seemingly use all possible means to reach out to customers: “*we keep in touch with our customers constantly through... leaflets and letters... we want to remain on top of the relationship with customers*” (Saima, retail manager). They do so because “*[the relationship] helps to make your customers happy as well as making your business successful*” (Didar, retail founder).

In addition to traditional marketing methods, they seemed to employ modern tools of marketing, albeit not widely: “*we made a group in Facebook as well as in WhatsApp, and there we post photos of our items*” (Akhtar, retail founder). The objective of using these tools is seemingly to inform customers about “*new arrivals in the shop*” (Shazia, retail founder), but their underlying aim is, perhaps, to increase sales and hence to increase chances of their business success. Jamal exemplified how they tend to rely on contemporary social media tools to reach out to as many (potential or existing) customers as possible:

... we have a website, and we also use... Facebook, through that we let our customers know whenever something new is happening and... anything new is coming in, we also email them from time to time and sometimes we even send letters to them about our offers. (Jamal, retail founder)

Their efforts to reach out to the customers by using a combination of marketing and publicity methods, ranging from cultural-based special occasions to the use of modern social media, are perhaps shaped by their belief that sustainability of the instrumental relationships is underpinned in long-term one-to-one relationships. Alternatively, they felt that their relationships cannot be sustained with an explicit focus on instrumental aspects only. Social aspects were considered a necessary condition for their long-lasting relationships with customers. The social aspects of their relationships with customers ostensibly extend beyond the mere provision of important information about new arrivals so as to meet their customers’ shopping needs. They believe that it is “*the one-to-one*” social relationships that “*will always bring the customer back to you*” (Babar, retail manager). How the one-to-one (social) relationships are built, and maintained and what they mean by it is typically explained by Mansoor as:

We have very close relationship with our customers... we go to their weddings and bereavements just to keep that relationship and to improve confidence between them and us, for example, my parents went to attend weddings in the family of our customers in [name of a town]... we

found this an effective way of maintaining relationships with the customers. (Mansoor, retail and wholesale owner)

Mansoor's narrative, as an exemplar, gives two useful insights. Firstly, in line with what Cousins et al. (2006) found that socializing outside the business and/or discussing extra-commercial matters between business owners/managers and their customers has the potential to increase the trust and goodwill amongst them. Secondly, the claimed caring about the social relationships with their customers underlines the underlying aim of meeting instrumental (or commercial) business goals. This is an apparent reality, of how these participants perceive their relationships with customers, based on owners/managers personal opinions. However, how real this apparent reality is, is another question, which is beyond the scope of this study. Customers were not interviewed to find out their views. Nevertheless, elsewhere O'Malley and Prothero found: *'The suggestion is that firms promote relationships with their customers and communicate that they are concerned about them... not for the good of the customer, but rather, for the good of the firm'* (O'Malley and Prothero, 2004, p. 1289). They further said: *'informants view customer care as a means to an end for the firm and not something that is intended primarily for the benefit of the consumer'* (O'Malley and Prothero, 2004, p. 1290). That said, unlike Mansoor's narrative Rukhsana felt her relationships with customers are entirely of social nature:

Many of the customers... come here for advice, for example where and how to go about to find suitable people for marriages of their children... according to cultural traditions and Asian culture because many people do not know the cultural sensitivities and luckily I have this experience... (Rukhsana, retail founder)

The wider outcomes of personalized customer (social) relationships in the current study are similar to what Grewal et al. (2017) maintained: social relationships with customers emanate from delivering outstanding customer service (cf. Chapter 6), creating an emotional connection with customers, and establishing a shared identity with them. This emotional connection between

them is manifested through the process of sharing social/family problems, pursuant to finding suitable solutions, as epitomised by Rukhsana above. Their shared identity refers to the shared culture which ostensibly helps in maintaining this emotional connection, the role of shared culture will be explicitly highlighted in Chapter 9. Given the perceived importance of social relationships, it may be asked how exactly they perceive they develop these relationships?

According to the data, so often they build these relationships based on social and class commonalities between them and their customers, part of that is socializing outside the business (already mentioned above) and discussing extra-commercial matters of mutual interest. Specifically, through “*discussing various things such as the weather... sports and other things*” as this is how the “*customers feel comfortable and feel finding common ground... that's how they buy more*” (Kuldeep, retail and wholesale owner). Adding value to this line of argument, Adil stated:

... if somebody asks me how my son is doing, then my mind will go back to my son, and I will think about my son and feel better... I will be more happy with that person because... you feel that security that this person is genuinely concerned about the overall well-being of you and your family. (Adil, retail founder)

Moreover, when these participants say that they “*rely on... personal customer relationships*” (Shahid, retail owner) they perhaps refer to the extent they go beyond the mere trading side and become involved in the building trust through personalized social relationships: “*customers will feel more comfortable if you have a personal relationship with them... they will... come back to you*” (Amjad, retail manager). Adil reinforced this viewpoint as:

... I believe if people have personal relationships with each other... beyond the business then they will be more comfortable... we always try to look after their [customers'] needs, and that's how we develop a personal relationship with them, and they become regular customers...

because of that trust... they come back to us, and we never break their trust. (Adil, retail founder)

Is trust an outcome of intimate social relationships? At the beginning of this chapter, I defined relationships as an outcome of repeated interactions based on mutual trust and respect. Drawing on the work of Doney and Cannon (1997, p. 36), I also defined trust as having two dimensions in the previous chapter and shall repeat (paraphrased) here again for clarity:

- a. the partners/parties involved in the relationship objectively expect from each other that their word or written statements can be and will be relied on; and
- b. each partner/party is genuinely interested in the other party's/partner's welfare and is motivated to seek joint gain.

This is a generic definition of trust, and its two dimensions may not be applied in every relationship or situation universally. However, dimension (a) may be more applicable in terms of the relationships between these businesses and their customers, whereas dimension (b) may be more applicable in terms of the relationships these businesses have with suppliers and/or other organisations (will be discussed later in this chapter).

Based on the above definition, and the data in this study, it may be suggested that trust works as a catalyst and advances the relationship. Alternatively, in order to trust someone, or to have faith in someone, there has to be something existing already (a concept, a feeling, an object, or a relationship), which provides the basis for trust to develop/exist or continue to exist. In light of the definitions of relationships and trust, it can be argued that trust is an outcome of good relationships and once a relationship comes into being its continuation becomes an outcome of the trust between the parties involved. This argument finds some support in the existing scholarship. According to Ramsay and Wagner (2009), high levels of trust lead to the exchange of confidential information paving the way for congenial feelings for each other and thus to closer relationships between people or groups. Likewise, Nandram (2002) implied that good relationships provide the basis for the development of high

levels of trust and that, continued trust reinforces the relationship. This perception is corroborated by Akhtar as:

... this is about... sharing your feelings with your customers and that leads your customers to share their feelings with you, and that helps you to develop that lasting bond of relationship between you and your customers and trusting each other... (Akhtar, retail founder)

In terms of tangible benefits of social relationships, as an input and then an outcome of trust, participants felt that social relationships lead to making loyal customers or making customers loyal: *"if somebody sells something a little cheaper than me and if I have good relations [with customers]... they will say, let's go to Haji's²³ shop... these customers even tell their children to go to Haji's shop and buy from there"* (Jafar, retail owner). What Jafar, and many others, had implied is that inter-business competition and cognitive variables, such as quality and price (Donovan et al., 1994), perhaps do not influence customers' buying behaviours once the customers develop trust in the business based on social relationships, though competition is a serious concern for the success and survival of these businesses (cf. Chapter 9).

Overall, participants felt that their relationships with customers take precedence over their immediate commercial goals, which are characteristics of collectivist cultures, according to Hofstede (1984). However, while their relationships may begin from a selling-buying transaction to start with and their underlying aim may be meeting instrumental commercial aims as such, these instrumental relationships very quickly provide the basis for, and/or become, social relationships between the participants and their customers. The social relationships ostensibly create an environment of trust, which they attribute to repeat customers or customer loyalty. Thus, the concept of having good relationships with customers is closely linked with good customer service as both create the desired outcome of repeat business. But they are not the same because in the context of this study, customer service is limited to a face-to-face environment, whereas the perceived relationships were felt to cover a time

²³ Haji is a man who has been to Makkah for pilgrimage.

frame that goes well beyond the selling/buying transactions. Moreover, it was even felt that successive generations of their perceived loyal customers become new loyal customers through positive word of mouth, a consequence of personalised (social) relationships.

These findings are congruent with several past studies. For instance, Beatty et al. (1996) argued that good relationships lead to customer loyalty. Similarly, Ganesan (1994) posited that building social relationships with customers can bring implicit instrumental benefits in the form of customer satisfaction, leading to trust and loyalty. Likewise, Dagger et al. (2011, p. 278) found that: the social aspect of *'relationship not only enhance relationship quality but also improve commitment to the firm... because customers feel the need to reciprocate the relationship.'* In other words, social relationships with customers seemingly make them (the customers) loyal to the business they have relationships with.

However, the above scholars conducted their research in mainstream organisations in the Western developed world where individualist cultures typically prevail. In contrast, the current study has shown that these concepts are relevant to ethnic minority enterprises too in a highly collectivist setup where the ethnic culture appears to shape entrepreneurial activities instead of the wider market forces (Chaudhry and Crick, 2003 ; Altinay, 2008). Collectivism was exhibited overwhelmingly by participants when they said their relationships with customers are like family and friendship, which are indications of mutual dependability, trust, and respect, according to Hofstede (Hofstede, 1984 ; Hofstede, 1983). The next section discusses relationships with suppliers.

7.2 Relationships with suppliers

Good relationships with suppliers play an important role (Ellegaard, 2006 ; Cannon et al., 2010). Shahid (retail and wholesale owner) claimed: *"relationships with suppliers... help us to get out of thick and thin when we have cash flow issues."* Like with customers, relationships with suppliers were described to be of long-term orientation, which seems to match with what Grewal et al. (2017, p. 58) argued: *'retailers that take a longer-term view*

recognize the benefits of cultivating mutually rewarding relationships with their suppliers.' Another tangible benefit out of long-term relationships with suppliers was epitomized by Ravinder (retail and wholesale owner): *"my suppliers [are] giving me credit up to 90 to 100 days... because of the relationship, I established with them over the years."* Their relationships with suppliers are, apparently, shaped by a set of complex issues surrounding market dynamics, supply chain, and procuring demand-driven products. Arif exemplified:

... products change very quickly... they [suppliers] inform me and sometimes they show me pictures and tell me that there is a new product coming out in one week, or two weeks' time, or three weeks' time, and if I like the product then I tell them book the product for me and the day the product comes out they send to me, but if you fail to do that and by the time you know there is a new product in the market it will be too late for you... because your competitors might be selling those to customers already. (Arif, retail founder)

Arif's perception about the rapidly changing nature of this industry (i.e., Asian fashion) and the knowledgeability of the suppliers about market dynamics highlights an important insight, i.e., dependable relationships with knowledgeable suppliers perhaps provide a unique competitive advantage for a business over its competitors. Thus, suppliers perhaps need to understand their own customers in the same way as this business community claimed they understand their customers. This understanding might arise from a shared cultural heritage or cultural alignment (Cousins et al., 2006 ; Cannon et al., 2010) that I will qualify later in this thesis. Moreover, the success of these businesses is, perhaps, linked to good relationships with suppliers: *"if you do not have a good friendly working relationship with suppliers... you cannot be successful in business"* (Jamal, retail founder). Hasan exemplified:

... I did not change my supplier (during the last eight years) and I have only one supplier in India who really looks after my business in the sense that whenever an outfit comes out as a new design he sends me well

before that arrives in other shops and that is one reason my business has been successful... (Hasan, retail founder)

While the contribution of supplier relationships in small business success has already been highlighted (Ellegaard, 2006), what seems to be novel in the current study is the insights it brings to the fore. First, suppliers play a proactive role which, seemingly, enhances buyers' confidence in them; and second, both sides' efforts ostensibly contribute to making the relationships between them long-lasting. This may be true for large organisations too to some extent, but perhaps not as much as it is in these types of small businesses, typically due to the informality of (social) relationships, which facilitates formal (or instrumental) relationships in the long-term (Cannon et al., 2010). Shahid (retail and wholesale owner) highlights how social relationships lead to long-lasting formal/instrumental (or commercial) relationships: *"we have really very good understanding with our suppliers... most of them we have been dealing with for 20 to 25 years, we have like family relationships with them."*

Like in customer service and customer relationships, participants used *"family"* as a peculiar metaphor for suppliers too, which strengthens the notion that this business community perhaps treats those whom they consider important for their businesses in a typical way. That is, they claim that they treat customers and suppliers, the two external groups of people on whom the success of their businesses apparently depend, with the highest level of dignity and respect, like their own family. However, while I did not seek opinions/perceptions of customers and suppliers, there are indications in the data that their underlying aim is to meet their commercial goals disguised in such relationships. Jamal (retail founder), out of many participants, implicitly acknowledges: *"our relationships with suppliers are family based because our business is run due to our suppliers."* Kuldeep epitomizes this conception as:

... we tend to have more like a family type of relationship with our suppliers we just don't see them as suppliers, we see them as sources of products and channeling the way we run our business... so we got to

know them... from a personal aspect... (Kuldeep, Retail and wholesale owner)

It may be argued that all businesses thrive through networking (Prajogo et al., 2012), but these participants claim that they do not always keep long-term relationships with suppliers/every supplier. They only do so as long as their business needs are respected and fulfilled, Qamar (retail and wholesale owner) exemplified. This behaviour seems to be informed by pragmatism, instead of sticking to a relationship for the sake of it. According to Light and Dana (2013), too much social capital (or too close relationships) may sometimes cause collective blindness and may lead to failure because of reasons such as reduced objectivity, increased mental conformity, and/or increased inability to escape failing allies and partners. Nevertheless, the bigger picture these participants painted pertains to the positive effects of relationships as Ali (retail founder) maintained: *"because they provide goods for you... we make some profit out of their goods... therefore you need to have good relationships with your suppliers."* Mansoor added:

We look after our suppliers for as long as they look after us, what that means is... we don't tend to change suppliers so often as long as we buy the right item from them for a reasonable price which we can resell to our customers and make some money out of that, but if we realise that we are not making any money from products from a particular supplier because they being expensive then, of course, we have to change our suppliers... (Mansoor, retail and wholesale owner)

Looking after each other is like a psychological contract because it edicts a set of rights over, and obligations towards, each other. For example, buyers would make timely payments to sellers who in return not only meet the buyer's procurement needs but also avoid creating local competition for them, Hasan (retail founder) epitomised. Thus, respecting the rights and the fulfilling the obligations seem to be necessary conditions for a long-lasting relationship between them. The longevity of the relationship, in turn, seems to create trust between them. Trust itself in a buyer-supplier relationship is associated with

reducing risks that are related to purchasing (Ramsay and Wagner, 2009). This point, respecting each other's needs and meeting each other's obligations leads to trust, is epitomised by Basit:

... I have very good relationships with my suppliers, with overseas as well as local, and we have a good understanding of each other's requirements and needs... they understand my needs in terms of what can be sold in our shop, similarly, I understand their needs as in paying on time... that makes both parties understand each other... and that develops trust between us... (Basit, retail founder)

Basit's statement, as an exemplar, implies that trust is a psychological expectation, which has the potential of motivating the parties to seek joint gain and is perhaps a consequence of previous (commercial) dealings between them. Therefore, trust seems to be the outcome of the informal, unwritten psychological feelings of rights and responsibilities, and their fulfilment.

In sum, like they said in customer service (Chapter 6) and customer relationships, these participants claimed that they keep "*family*" like (social) relationships with suppliers. This is perhaps because of their collectivist culture, in which social factors are considered as important as, if not more than, instrumental factors in buyer-supplier relationships (Cannon et al., 2010). Moreover, they perceive that suppliers' performance influences the long-term orientation of the relationship between them. However, some amongst them tend to keep relationships with suppliers only so long as their needs are met. Others seem to strike a balanced approach, i.e., not too formal, not too informal, so as to avoid collective blindness that inhibits creative thinking (Villena et al., 2011) and ensure competitive procurement, in addition to preventing suppliers from supplying to competitors.

Therefore, a single model of buyer-supplier relationships did not emerge from data. That indicates that the nature of their relationships with suppliers is complex and is underpinned by a number of different factors including market

dynamics, previous experience, and suppliers' perceived knowledge about markets.

That said, there are some indications in the data that relatively older and more established businesses keep long-term and stable relationships with suppliers. They, perhaps do so for reasons such as the risk of losing rapport they have developed over the years, the risk of losing extended payment terms, the uncertainty of relationships with new suppliers (Friedl and Wagner, 2012), and the potential costs of switching suppliers (Monteverde and Teece, 1982 ; Klemperer, 1995 ; Wilson and Price, 2010). In contrast, newer and smaller businesses seem to employ a short-term approach to relationships with suppliers. They will change suppliers if their immediate procurement needs are not met. In particular, they seem to be more price-sensitive than their older and more established counterparts. The next section highlights relationships with the wider society, including local institutions.

7.3 Relationships with the wider community

According to Thompson et al. (1993), Madden et al. (2006), and Besser (2012), small businesses get involved in local social matters, because they want to be seen as playing a positive role in their local community and they want to support local social causes. Janjuha-Jivraj (2003) believes that ethnic minority small businesses have close relationships with their local community, because they seek informal support from their community and at times they provide informal support to those in their community who intend to start a business. These authors tend to believe that small business involvement with the local community brings various types of benefits such as increasing the customer base, making loyal customers, and improving rapport, and so on.

Participants in the current study provided similar reasons for their involvement with the local community and claimed that their relationship with the wider community brings many benefits, ranging from generating business: *"20% of our business comes through exhibitions where we display our products"* (Kumar, retail manager) to making new customers: *"we have been participating in a lot of locally organised charity events and fashion shows... through these*

events, people get to know about our shop, and then people become our customers” (Nasreen, retail owner). Jamal summarized what it means to have relationships with “the wider community”:

... we do have relationships with the wider community, we participate in charity work, we participate in exhibitions... there are fashion shows we go to and display our stock in there, and that's how we get new customers... (Jamal, retail founder)

According to Irem (retail manager), her employer derives three specific instrumental benefits from relationships with the wider community - wider exposure, marketing/publicity, and generating business. She explained: first, through participation in community events *“we get to meet different people and people from different cultures and religious backgrounds”*, second, *“that's how people get to know about our business”*, and third, *“once somebody likes our services and products... seen in exhibitions... many of them become our customers.”*

The benefits to businesses due to their involvement in community-based organisations/events have already been highlighted (e.g., Ritch, 2009 ; Porter and Kramer, 2002 ; Danes et al., 2008 ; Kwon et al., 2013). However, what may be different in this study is that, participants typically seemed to be concerned at least as much about the potential benefits for their community as for their own businesses: *“we do a lot of work in the store such as doing blood test and other charity work... I do encourage these types of activities because it's an education for our community”* (Khalida, retail owner). Therefore, they claimed that they do not associate their philanthropic actions with commercial goals per se. Rather, they appeared to pay something back to their local communities out of altruism and as a social obligation similar to what Besser (2012) found in the rural US and Janjuha-Jivraj (2003) discovered amongst South Asian immigrant entrepreneurs in the UK. Qamar provided an example of what is referred to as ‘*in-kind donations*’ (Thompson et al., 1993) and highlighted what altruism means for this sample:

... a lot of primary schools in this area... come to us for... pieces of fabric which they use for donations, or fundraising, or actual education purposes... this gentleman from Manchester... comes to us who works for the prison service... we help him by supplying with fabric and other items free of charge... we have also donated outfits to people in Africa... through a charity... we don't know whether it has generated more business for us... but our whole purpose of involving ourselves in charity is for personal... satisfaction. (Qamar, retail and wholesale owner)

Shazia (retail founder) added: “*we have done lot of charity events... the charity is not for the business purposes... its more to do with my personal satisfaction.*”

Thus, their altruistic behaviours, followed by actions, seem to be helpful to the needy in society (Brudney and Ferrell, 2002), in addition to becoming a source of self-satisfaction (Bennett et al., 2007). Charity donations out of altruism may not be unique to these participants, because serial entrepreneurs like Bill Gates and Sir Richard Branson and the likes are already famous for their philanthropic activities around the globe. However, these extremely successful business people cannot, and perhaps should not, be compared with the small business owners in this study, who so often face resource limitations and are concerned about making their ends meet.

While contrasting the majority view, presented above, a minority (4 out of 43) explicitly stated they do not get involved with the wider community, besides their customers. All four of them blamed the small size of their businesses, perhaps, implying the resource limitations do not allow them to have relationships with the wider society, though they did not elaborate.

In addition, some participants (not many though) stated that relationships with other local institutions also create tangible benefits. The following is a typically representative quote:

... we have relationships with the local institutions such as the council and the local police, they help us whenever we participate in charity events or fashion shows or a community event... they help us in

arranging stalls, and this is beneficial for us because this is how we advertise our business and we make new clients because... lot of different shops come to participate in these events, and a lot of public participates as well. (Nasreen, retail owner)

In addition, having close relationships with public/governmental institutions (such as the Jobcentre and schools) are also apparently useful. These businesses seem to make new customers from them (the institutions) and through them. Zahid (retail manager) exemplified: *“when somebody comes from the jobcentre to be trained in our shop they definitely discuss our shop and whatever we sell with their family members and friends, and that's how we make more... customers.”* According to some participants, various local institutions also benefit from having relationships with these businesses:

... the whole range of things we can do for them [the local community], for example, community needs businesses to support them, schools need encouragement and role modeling, chambers need businesses to participate to create relationships between wider community and businesses... our company has... contributed towards these organisations and communities. (Shakoor, wholesale owner)

In sum, data in this study indicated that relationships with the wider community and other local bodies have the potential of generating a range of tangible benefits including (but not limited to) publicity and generating business. For example, through these relationships, they expose and publicise their businesses to the wider public, which is congruent to what retailing scholars (e.g., Grewal et al., 2017, p. 57) argue: *‘Many conscious retailers spend less on advertising and instead promote their purpose and values through their activities, the ways their employees act, and their involvement with the community.’* More precisely, in line with extant research (e.g., Chollet et al., 2014), these businesses ostensibly make more/new customers through their close relationships with the local community/public organisations.

An important part of their relationships with the local community seems to be the corporate giving, which is perhaps not shaped by instrumental goals, but by a sense of group affiliation/belongingness or an inner obligation of giving something back to the local community. This notion seems to be in contrast to large organisations as they generally (but perhaps not necessarily universally) give charity to impress shareholders, policy-makers, and employees (Madden et al., 2006). Small businesses, like those studied in this research, do not have these groups to impress, hence their corporate giving may be independent of any expected future return. However, their altruistic actions, perhaps, have a positive knock-on effect on the success of their businesses, as is generally the case with small businesses (Thompson et al., 1993), in addition to improving their reputation within their ethnic community (Madden et al., 2006 ; Besser, 2012).

Finally, only a handful of participants talked about relationships with local institutions, but when they did, they associated these relationships with useful outcomes. This argument, perhaps, has implications for practitioners and scholars i.e., there is, perhaps, potential to develop these useful relationships and explore their benefits. The relationships that the participants talked about do not end here. They talked about employee and gender relationships too.

7.4 Relationships with employees

Participants did not talk much about employee-employer relationships, but when they did they used the same metaphors of “*family*” and “*friendship*” in describing their relationships with their workforce as they did in customer service and in relationships with customers and suppliers. Statements like “*we like to think about ourselves as an internal family, as everybody is like a family member in the business*” (Khalida, retail owner) and “*the environment is family oriented, everybody working here is like a member of a big family*” (Saima, retail manager) were frequently made, manifesting the collectivist culture (Hofstede, 1984) within these businesses. What they meant by “*family*” was not necessarily biological kinship. According to Saima (retail manager), “*even if you're not related to them they treat you like a family member.*” Qamar exemplified the

type of employee-employer relationships that seemingly exist in these businesses and its underpinnings as:

... most of workers working here were working for our business while we were growing up, so for me personally, it's a type of uncle-nephew relationship... it's based on very much friendly terms and open relationships between the owners and the staff and also it never happened that we had to push them to the limits and made them realise that they are the workers and we are the owners... we work like a family.
(Qamar, retail and wholesale owner)

What can be seen as overwhelmingly common in the data is the repetition of the metaphor “*family*.” The concept of “*family*” seems to have a special meaning for participants in this study. First, they used this metaphor for customers in the context of customer service, again for customers in customer relationships followed by supplier relationships, and now for members of staff. As mentioned earlier, they seem to relate the groups of people whom they consider important for their businesses as “*family*.” They claim to be dealing with these groups with the utmost respect. According to Choudhry (2001), family is regarded very highly in South Asian ethnic culture. He and Ibrahim and Galt (2011) imply that in South Asian culture the needs of family members often supersede one’s own personal needs. According to Victor et al. (2012), these are ethnic cultural values in South Asians in the UK, which are, perhaps, different from the values held/practiced by the Anglo-Saxon mainstream community.

That said, while these groups (customers, suppliers, and staffs) have not been interviewed, and thus, their views/opinions are unknown. It might be the case that these participants do treat their customers, suppliers and the workforce like they treat their own families. However, do the needs of these groups of people take precedence over their own personal needs? Will they consider the needs of these groups of people to be as important as the needs of their own personal or the needs of their family members? Though these questions were not posed to participants, based on the data, the answers most probably will be ‘*no*.’ At times it was implicitly cited by the participants that their underlying aim is

meeting their commercial objectives. Therefore, it may be argued that the use of this type of language and the manifestation of this type of behaviour is, perhaps, a means to meet their own commercial goals.

In addition, there may be another meaning that can be inferred from what Qamar and many others in this study showed by saying “*they treat you like a family member*”, or “*it's a type of uncle-nephew relationship*”, or we do not “*push them to the limits*.” That is, these phrases perhaps reveal the pervasiveness of informality, or informal relationships, which is argued to work well not only in ethnic minority firms (Ram et al., 2001 ; Jones et al., 2006), but also in all small and medium enterprises in general (Wapshott and Mallett, 2015 ; Woodhams and Lupton, 2006). Moreover, the informality ‘*is seen by many small business owner/managers as one of their main sources of competitive advantage*’ (Woodhams and Lupton, 2009, p. 205). The point that informality, a set of unwritten informal but highly contextual rules governing the employee-employer relationships (Ram et al., 2001), works for these businesses was epitomised as: “*because it's a small business, and it's easier for us to be informal and friendly with them, and that is working for us*” (Mubashar, retail owner); and “*when there is quiet time we all just chill-out and we relax and take it easy but when there is busy times they know what to do*” (Rubi, retail and wholesale owner).

Besides extending extant scholarship, this study takes the debate of employee-employer relationships in small firms further at least in two angles. Firstly, the recurring of the metaphors “*family*” and “*friendship*” reinforces the notion that this business community uses social relationships to meet instrumental ends and that their shared cultural heritage enables them to do so. Secondly, the perceived informality in employee-employer relationships in this sector perhaps breeds employee loyalty. This last point is implicitly reinforced by Mukhtar:

... we have very low staff turnover in our business, so there are people who have been working for us over 20 years, so we have a long-term relationship with our employees... (Mukhtar, retail and wholesale manager)

As portrayed in the above snippet, the perceived informality points that employee loyalty is perhaps a function of the “family” like “*long-term relationships*.” An important insight needs to be drawn here. In contrast to the view that long hours of work in ethnic minority businesses create inevitably undesirable consequences, such as tiredness and lack of respite (Ahmad, 2008a), these participants seem to believe that the long hours of work actually contribute to the creation of “family” like working environments, as articulated by Kuldeep:

... we don't treat them as employees... we have a lot of staff who have been working for us for 15 to 16 years, so over the many years, it became like... members of our own family... we deal with them six days a week from 10am to 7.30pm, we see them more than our own family members. (Kuldeep, retail and wholesale owner)

This notion was backed up by Khalida (retail owner): “*in 24 hours the best time you spend is at work... with these people, with your team.*” On a superficial level, her statement might be indicating that these workers suffer from what Ahmad (2008a, p. 308) described as: lack of ‘*free time in the evenings, weekends or... less recuperation time at home.*’ Khalida, however, clarified: “*it is very important to have knowledge about each other and each other's interests.*” It is perhaps this perceived informal “*knowledge*” that acts as a means to an end in creating an environment that is conducive to all in the workplace. In return, this environment is perhaps framed as what Woodhams and Lupton (2009, p. 206) called internally developed ‘*good business practices.*’

However, the owners, and to some extent the managers too, might be happy for their workforce to work for long hours, irrespective of any consequences for the workforce. Thus, their perceptions may be a reflection of a biased one-sided-only view. Since employees’ viewpoints were not sought in this study, it is difficult to warrant, or challenge, the perceptions of the employers/managers.

In addition, some participants believed that the longevity of the relationship is a reflection of perceived employee satisfaction: “*they [are] happy that's why they*

have been working for us for so long" (Mukhtar, retail and wholesale manager). But what is employee satisfaction or employee job satisfaction? According to Nebeker et al. (2001, p. 30, cited in Locke, 1976, p. 1307), employee satisfaction or employee *'job satisfaction is an emotional reaction that "results from the perception that one's job fulfills or allows the fulfillment of one's important job values, providing and to the degree that those values are congruent with one's needs."* Others linked the "family" like treatment to employee satisfaction and to loyalty. Kuldeep's viewpoint is a typical exemplar:

... we treat them like family members, and that's why most people do not leave us... we tend to keep them as well by not only treating them as members of our own family but also by giving them other benefits such as mobile phones and cars, which they can use even if they are not at work... they are not only sales people, they are more than that. (Kuldeep, retail and wholesale owner)

Kuldeep's narrative, which implies that employee satisfaction leads to employee loyalty, seems to be in accordance with what Nebeker et al. (2001, p. 30) have argued *'It is presumed that when employees are satisfied with their jobs, they will behave differently than when they are dissatisfied.'* His perception also seems to be in accordance with the argument made by Grewal et al. (2017), employee loyalty can translate into customer loyalty, perhaps, because many of the employees and their relatives and friends, become loyal customers (through positive word of mouth) of the business even after they quit.

More importantly, Kuldeep provided a thought-provoking nuance, although it was a lone viewpoint - worthy of mentioning. He seems to believe that employee loyalty is not necessarily the outcome of merely *"treat[ing] them like family"*, but the claim that they treat employees well has to be translated into tangible benefits for employees. While employees have not been asked about their feelings, opinions, and/or experiences in this study, elsewhere Becker (1996a) and Wright and McMahan (2011) have argued that if staff are not remunerated appropriately, they might adopt opportunistic behaviours, leaving the firm at a competitive disadvantage.

In sum, extant scholarship argues that small businesses, in general, face resource limitations and cannot afford formal employee management processes (Woodhams and Lupton, 2006 ; Madden et al., 2006 ; Besser, 2012 ; Thompson et al., 1993). They, therefore, tend to manage employee-employer relationships informally as an alternative, which happens to work well for them (Ram et al., 2001 ; Wapshott and Mallett, 2015 ; Marlow, 2003). The sample businesses are no exception. Informality was claimed by the participants to widely exist in their businesses, including in employee-employer relationships, and was felt to be working for them.

The most intriguing finding in this study (discussed in the previous chapter) is perhaps the claim, which the participants made consistently, that they treat individuals, or groups of individuals, whom they consider important for their businesses as “*family*” and/or “*friends*.” Data indicated that treating people like “*family*” and/or “*friends*” apparently leads to “*loyalty*.” Whenever they referred to any group of people as “*family*” and/or “*friends*” their narratives were implicitly, if not explicitly, followed by the concept of “*loyalty*.” They seem to believe that it is the loyalty of their customers, suppliers, and the workforce that warrants the successful continuity of their businesses. They seem to believe that customer loyalty generates repeat business; supplier loyalty ensures successful and cost-effective procurement; whereas employee loyalty leads to the increased customer base in addition to customer loyalty, because satisfied employees make satisfied customers (Grewal et al., 2017 ; Nebeker et al., 2001).

That said, since customers, suppliers, and the workforce were not interviewed, the perceptions of the participants can be considered as their personal conjectures, or un-stated/not-vividly declared aim of meeting their commercial goals disguised in these relationships. The last type of relationship that this study discusses is related to gender.

7.5 Gender relationships/differences

This section explores how gender-based entrepreneurialism may or may not influence entrepreneurship or small business success in my chosen community of study. *‘Gender-based entrepreneurialism is defined as that part of the entrepreneurial activity that is associated with, and is explained away by, the gender of the entrepreneur’* (Mukhtar, 1998, p. 48). This section attempts to explore if businesses show different characteristics based on the gender of the owner/manager. A total of 43 people were interviewed in this study, nine were women, and the remaining 34 were men. Out of the nine female participants, the first three were women-only business owners. They said: *“the business is run by my mother basically, and I (daughter) help her whenever she needs my help and my other sister always involved in the business, she deals with... suppliers”* (Nasreen, retail owner); *“my sister and my cousin sister help me in running this business”* (Shazia, retail founder); and *“This is my own business, and I sell loose material fabrics, and I run the shop by myself”* (Rukhsana, retail founder). Amongst the rest of the women who were interviewed, two of them worked as independent managers of businesses that were owned by non-related people. One of them said: *“the owners of the shop visit once or twice a week only, but otherwise I’m responsible, and I run this business”* (Tasleem, retail manager). The other stated:

The owner and his family are not involved in this business as I am responsible to run the business, the owner comes in occasionally to check things are okay... (Zubia, retail manager)

Among the remaining four women, two managed their family-owned businesses, and the last two worked as employee managers. The rest of the 34 businesses were not necessarily male-only owned/managed. The female participants claimed that they played an active direct role even in businesses where both genders were involved. However, male participants’ views were mixed about the nature (active or passive) and the level (business partner or helper) of female involvement. Several male participants made statements like: *“the business is run by myself and my wife”* (Rajab, retail founder); and *“in this*

business me and my wife are fully involved" (Musa, retail founder). Hasan described the role of his wife as:

In running this business me and my wife are equally responsible, and we always help each other... if I was on my own I could not have gone that far in terms of the business success, it is due to the support which we provide to each other, we have been successful... (Hasan, retail founder)

However, several other male participants (e.g., Tariq and Aziz, retail founders) maintained that they are "*fully involved in the business*", their wives are involved sometimes whenever their support is required. Ravinder (retail and wholesale founder) exemplified that since they have young kids, his wife spends most of her time looking after them, but she still comes into the business sometimes to help him.

That said, a minority among the male participants seemed to divide work along gendered lines. They felt that their female relatives (in most cases wives) were better performers in customer services, but they claimed to outperform the womenfolk in purchasing, because they claimed to find themselves having better-negotiating skills. Rajab illustrated:

... my wife is very good in negotiating on prices with the customers, and this may be because most of customers are female customers and are from Asian background... but when a supplier comes to us I know how to negotiate... (Rajab, retail founder)

This minority felt that most of their customers are females and males were understood as being shy to mix with females. They cited religio-cultural reasons for this division of work along gendered lines specifically where a close contact between the sexes is required: "*sometimes a woman comes in with a full cover... which becomes a religious factor... with those customers my wife tend to serve better than I do*" (Umar, retail founder). This notion, females serve females and males are shy to serve females, was contrasted by a male participant who shared ownership and management as well as customer

service responsibilities of the business with his sister. However, there was some division of responsibility in other areas in the same business where gender-based connotations or expertise seem to apply. He said: *"I always have been good in numbers, and therefore I look after the accounts and the paperwork of the business, whereas my sister is more fashion oriented and she understands the products better than I do."* Hence, the division of responsibility is, perhaps, based on expertise rather than gender, though it may have some meaning (i.e., male are good in numbers), that has historically been associated with gender by some scholars (e.g., Casey et al., 2001).

But other scholars more recently disputed such stereotypes specifically in the case of the US and the UK (Ceci et al., 2009). In a way, it may be said that even though countries where this ethnic community originally comes from (India and Pakistan) scored high on the masculinity/femininity index in Hofstede's cultural dimensions (Hofstede, 1983), this study did not find any noticeable gender-based differences. That said, it might not be a good idea to compare findings from this small study to the findings of the large study that Hofstede conducted decades ago. Nevertheless, based on whatever was found in this study, it may be said that both men and women overall do almost the same types of work. It may also be said that female involvement in these businesses covers a wide spectrum from occasional helpers to female-owned and managed businesses.

Therefore, these findings are in contrast to the classical view that women are more risk avert, they tend to engage in the service sector, and the size of their businesses tend to be smaller than those of their male counterparts (Simoes et al., 2016 ; Blanchflower, 2000). Hence, a single model of gender-based entrepreneurship did not emerge in this sample. This is a limitation of this study as it did not particularly collect data to explore gender-based differences in these businesses.

In a way, these findings extend some extant scholarship. For example, similar to the argument offered by Cliff (1998), Ahl (2004), and Woodhams and Lupton (2009), the current study found that women seemingly have greater patience and are more resilient when dealing with people including customers compared

to men. Similarly, in line with Burlet and Reid (1998) and Basu and Altinay (2002) who argued: Pakistani Muslim women are seen to be playing important roles in community life and in entrepreneurship, the current study argues that both men and women are playing an important role in their community through their businesses.

Finally, the perception of Ahmad (2008a) that some (male) researchers have relatively restricted access to women's perceptions/experiences than men's is unfounded in the current study. As a Muslim male, I was able to interview nine women. Adopting similar methods as that of McKeever et al. (2014), in cases/sample selection, my accessibility to these women was drawn based on the knowledge and guidance given to me by family, friends, and a well-respected local South Asian ethnic minority business. But then the same was the case with reference to my accessibility to the male participants. I did not approach women differently than men before, during, or after the interviews, nor did I feel that any of the participants responded to me, my request, or my research differently based on their gender.

Therefore, this study indicates that it is important not to homogenise ethnic minority entrepreneurs. The participants cover a spectrum from a woman serving a veiled woman, to female solo entrepreneurs who serve all customers (male and female), and women dealing with (male) suppliers directly without help from male relatives.

7.6 Chapter summary

Contributing to answer the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this chapter has highlighted the types of relationships, a type of IHFs that participants talked about as important to the success of their businesses. In particular, participants talked about relationships with customers and suppliers more widely than with the wider community (including local institutions) and employees, as well as inter-gender relationships.

With respect to customers and suppliers, participants said they tend to keep a mixture of formal and informal relationships, which have been referred to as instrumental and social relationships in this study. According to Cousins et al. (2006), these types of relationships facilitate each other. Analysis of the data in this study indicated that combining these types of relationships contributes to the achievement of greater benefits in the form of additional business/customers, in addition to making the relationships with various groups sustainable and long-lasting. As for the workforce, they indicated that a set of unwritten informal rules govern how they relate to employees (Ram et al., 2001). Informality seemed to be working well for these small businesses as it does for most small businesses in general (Wapshott and Mallett, 2015). The informality was linked to lack of resources by some participants in this study. However, some small business scholars (e.g., Woodhams and Lupton, 2006 ; Wapshott and Mallett, 2015) consider the small size of organisations to be a positive factor because it ensures that employers maintain close social relationships with each and every individual employee. This last point was highlighted by the participants too in the current case study as a contributing factor for the success of their businesses.

Overall, participants claimed that they treat people from these three groups (customers, suppliers, and the workforce) well. They frequently and widely used the metaphors “*family*” and “*friends*” when they referred to these groups of people. This perception, perhaps, reflects the value they attach to these groups as they feel that these groups of people play very important roles in the success and continuation of their businesses. Moreover, through social relationships, they feel they create/enhance trust between them (they, their customers, suppliers, and employees), which is in line with existing research (Cousins et al., 2006 ; Cannon et al., 2010), and which leads to repeat business in addition to customer, supplier, and employee loyalty.

These findings are congruent with various past studies from within business and management (Zhang et al., 2014 ; Donovan et al., 1994 ; Beatty et al., 1996 ; Ganesan, 1994 ; Cousins et al., 2006 ; Cannon et al., 2010), although most past studies focused on mainstream businesses. The unique contribution of this

study arises from the fact that while these ethnic minority small businesses act rationally, they heavily depend on their shared culture - shared between them and an overwhelming majority of their customers, suppliers, and employees. More clearly, it is perhaps their shared culture and cultural values that facilitate their relationships with customers, suppliers, and employees. For example, because of having understood the cultural sensitivities of their customers, these businesses respond to their (the customers') shopping needs correctly, such as making things available for them according to cultural festivals. Likewise, due to belongingness to the same culture, suppliers understand market dynamics and the needs of their customers (these small businesses) and then supply goods accordingly without creating competition for them (by not supplying their stock to other businesses in close proximity). Similarly, it was felt that the shared culture between them and most of their employees ensures that they understand each other's viewpoints, consequently developing a friendly working environment.

In relation to relationships with the wider community, a vast majority (but not all) of participants ostensibly aimed to achieve self-satisfaction through corporate giving or helping the local wider community through a variety of other means. However, there was some recognition in this study that their charitable donations bring tangible benefits in the form of more business and/or new customers. This notion is in line with past research where scholars (e.g., Madden et al., 2006 ; Besser, 2012 ; Thompson et al., 1993) argued that small businesses are considered part and parcel of community life, their actions do not go unnoticed, and their charitable donations create goodwill among the local community. Similar to good customer service, goodwill is believed to generate more business by making existing customers loyal and attracting new customers through positive word of mouth (Zhang et al., 2014).

Relationships with the local institutions did not emerge as a major theme. Very few participants talked about the existence of these relationships, but when they did, they regarded them as highly useful in their businesses. Therefore, the question we can ask is this: why do only a few of these business owners and

managers seem to have relationships with local institutions given their perceived useful outcomes?

As for gender differences or relationships, there was an imbalance of gender-based samples in the current case study. All the women that were interviewed said that they were heavily involved in all aspects of their businesses in the same way as male participants claimed. However, the views expressed by male participants, as the majority, about the role of women were mixed. As such, a clear picture of gender-based differences, or gender-based entrepreneurialism, did not unfold. This was, perhaps, because this study did not aim to explore gender-based differences from the outset. Therefore, the concept of gender differences seems to be a missed opportunities and a limitation in this study.

Nevertheless, some work seems to have been divided along gendered lines. For example, the male participants described women as performing better than they themselves in customer service, whereas they claimed that they outperformed their female counterparts in negotiating skills with suppliers. These perceived differences may be associated to what has historically been suggested by Cliff (1998), Ahl (2004) and Woodhams and Lupton (2009) that women are considered as having greater patience and are more adaptable in public dealings than men. That said, this perceived gender-based difference may not be related to gender in general but to the ethnocultural setup of this group. That is, most of their customers happened to be female and from the same culture, whereas most of the suppliers were male, also from the same culture. Their ethnic culture perhaps does not encourage inter-gender intermingling the way it does intra-gender intermingling (Ahmad, 2008a). That being said, it was claimed by female participants in the female-only run businesses that they perform all activities, including buying, irrespective of who is on the other end. In one case, in a brother-sister owned/managed business, the sister took the responsibility of buying because she is presumably more fashion-conscious/aware whereas they shared customer service responsibilities. Hence gender roles are, perhaps, not well defined in these businesses.

In short, whether it is about relationships with customers or suppliers or employees or any other party for that matter, the individualistic Western cultural tendencies of '*don't mix business with pleasure and time is money*' (Cannon et al., 2010, p. 517) seem to be unhelpful in explaining the ways this business community claims that it develops and maintains relationships. Therefore, based on the findings, it may be considered that these peculiar characteristics of developing and maintaining relationships with a social touch are perhaps related to their collectivistic and/or particularistic cultural tendencies or group orientation. That said, there are several clues in the data that they, perhaps, disguise their profit-seeking motives in behaviours that have the potential for social acceptance. Their underlying aim seems to be making loyal customers, or customers more loyal, in order to make their businesses successful whether it is through social or instrumental relationships with customers, suppliers, the workforce, and/or local community/institutions.

That said, the views of customers, suppliers, and ordinary employees are unknown, because they were not interviewed. Hence, the participants' views may be biased, making it difficult to make any claims with certainty in this study. Nonetheless, it may be said that the reality of establishing and maintaining relationships between this business community and a variety of external and internal stakeholders is a complex phenomenon and cannot be homogenised.

With regard to the theoretical contributions, while this chapter makes important contributions to the relationship/relational social capital literature, its main contribution is to the culturalist view of ethnic minority entrepreneurship. This is because the way these participants tend to develop and maintain relationships, specifically with customers, suppliers, and employees, is shaped by their ethnic culture and family value systems. The next chapter highlights the perceived role of another four interrelated elements of IHFs to the success of these businesses.

Chapter 8: Knowledge, Experience, Training, and Education

Besides customer service and relationships, four other forms of IHFs emerged from the data. These are knowledge, experience, training, and education, which are presented in this chapter.

8.1 Knowledge

Knowledge emerged as the third most widely talked about IHF, which has two categories: knowledge as a useful IHF; and knowledge sharing as a process of creating this IHF at an organisational level.

8.1.1 Knowledge as an IHF

From a conceptual standpoint, knowledge is defined as '*a dynamic human process of justifying personal belief toward the truth*' (Nonaka and Takeuchi, 1995, p. 58). However, from an organisational perspective, knowledge is '*a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information*' (Davenport and Prusak, 1998, p. 4). In this study, like in the extant scholarship (e.g., Wang and Noe, 2010), knowledge and information are used interchangeably, although, according to Wang and Noe, they are not the same. They differentiate information from knowledge as: '*information is considered to be just "a flow of messages" whereas knowledge is based on information and justified by one's belief*' (Wang and Noe, 2010, p. 117).

With reference to the importance of knowledge, Grant (1996, p. 375) argued: '*knowledge has emerged as the most strategically-significant resource of the firm.*' Ipe (2003, p. 337) posited: '*Knowledge is now being seen as the most important strategic resource in organizations.*' In the current study, participants highlighted the value of knowledge in the success of their businesses as: "*Knowledge is very important*" because "*if you do not know you cannot run any business*" (Aziz, retail founder); "*if you do not have... knowledge then you will keep making mistakes*" (Zubair, retail founder); "*without... knowledge you cannot sell a product and cannot make a deal*" (Kumar, retail manager); and

“without... knowledge you will not be able to run any business successfully” (Rajab, retail founder). The notion that knowledge is related to business success was further illuminated by participants as: *“I think knowledge possessed by our members of staff makes our business successful”* (Khalida, retail manager); and *“Having knowledge is very important to be successful in a business”* (Jasvinder, retail founder). In addition, knowledge was linked to *“profitability”*:

... your profitability actually depends on the level of knowledge you have, if you have more knowledge then, of course, you will make more profit and your business will be more successful... (Tariq, retail founder)

Besides business success and profitability, knowledge was linked to growth, another concept that is considered to be closely related to business success (Reijonen and Komppula, 2007): *“my business will grow more and will be more profitable because... I will be getting more knowledge... that will help me to improve my business”* (Arif, retail founder).

Participants seemed to understand knowledge and its importance in the literal sense as *“knowing”* specifically what they sell and whom they sell to, and then being able to deal with what they know about (mostly products and customers) properly. For example, Aziz (retail founder) felt: *“if you're aware of anything you will present it properly, so knowing is a blessing... if you know something you need to describe it to somebody properly and then present it properly.”* Others highlighted knowing products and customers more explicitly: *“customer knowledge and product knowledge is very important”* (Arif, retail founder); and *“know[ing] what you are selling and know[ing] the background of your items where [they are] coming from... so knowledge is very-very important in our type of business”* (Qamar, retail and wholesale owner). This knowing of products and customers is discussed next in turn.

8.1.1.1 Knowledge about products

What it means to know the products was highlighted by many participants. Arif's

perception is an exemplar:

... in our business design changes very quickly, in 2 to 3 weeks' time, so you need to stay ahead of the competition... you need to have the knowledge of new products coming in the next week and you need to buy these products before your competitors do and that is only possible if you have knowledge. (Arif, retail founder)

These participants believed that product knowledge is not related to the ideal condition of business success (i.e., making a net profit) only, but also to the very survival of these businesses, which they also considered as business success. Thus, employees who have product knowledge were regarded highly: *"our members of staff have knowledge about the product and their prices... this is very beneficial... for the business"* (Kuldeep, retail and wholesale owner). Knowledgeable people were sought for employment: *"if they [staff] have knowledge about clothing, these are the skills we are looking for when we employ people"* (Tariq, retail founder).

In the previous two chapters, I highlighted participants' perceptions of providing good customer service in a face-to-face environment followed by maintaining good relationships with customers. This sub-theme shows that having appropriate product knowledge complements those efforts and creates instrumental benefits. For example, participants maintained that having product knowledge leads to sales and good communication with customers: *"if you do not have knowledge of what items you are selling obviously you won't be able to deal with customers effectively"* (Akhtar, retail founder). On the contrary, lack of product knowledge was linked to poor communication and then (potentially) to business failure: *"if the customer asks you to show an item and you are showing a different item or give them a different price that's not good communication and because of lack of this knowledge your business will suffer"* (Musa, retail founder). They felt that having appropriate knowledge influences the ability to sell. For example, Didar (retail founder) shared with me his experience with two customers recently who had a problem related to buying footwear. Both customers apparently took his advice, made a purchase from his shop and went

away happy, because he knew his products and their characteristics.

The belief that knowing various characteristics of the products facilitates the process of selling was exemplified as: *“if the salesmen have proper product knowledge they will be able to sell products more successfully”* (Mukhtar, retail and wholesale manager), because they *“will explain the qualities of the product to the customer in a better way”* (Basit, retail founder). Besides contributing to *“making the customer happy and making the business successful”* (Didar, retail founder), product knowledge was directly linked to sales: *“if you have... full product knowledge, you will double the sales of your product.”* The *“full product knowledge”* and its knock-on effects were articulated as:

... [you] need to understand how the product is manufactured, what qualities the product offers, the limitations of the product, the material of which the product is made of... because this kind of product [garment] you cannot sell to the customer by only showing the product to them, you need to explain the product to the customer... (Umar, retail founder)

Thus, knowing the product is not limited to its physical characteristics, rather it includes its background and after-sale care advice. Moreover, knowing the product is not limited to one's own product, but also that of the competitors' as well as *“market knowledge, such as what is in trend and what is in demand”* (Azmat, retail founder). Zahid (retail manager) sent two of his colleagues to one of the Bazaars²⁴ in Bradford to collect market information/knowledge particularly surrounding the types of products that were on offer in various stalls and their prices. He believes it helped him and his team in pricing and made their products more competitive, in addition to selling products and speaking to customers with more confidence than before. His perception of having knowledge of one's own and that of the competitors' products leads to self-confidence. His assertion, *“once you have confidence the customer gets convinced”* seems to be in accordance with Li et al. (2006), who argued that the service provider's self-confidence can result in increased sales. The concept

²⁴ One of the four market places in Bradford that are made up of market stall-style small shops selling Asian clothing/fabrics and related accessories.

that knowing the product translates into greater sales is further epitomised by Aslam as:

... this customer asked two members of staff, do you sell Twill?... they both said no, but the third member of staff, who were slightly senior to them, jumped in and said, yes we do, I'm watching them, it's actually another name for Gaberdine... since then this customer has been buying something like 135 meters 3 to 4 times. (Aslam, retail manager)

According to Aslam, it was the experience that helped his staff to know Twill is another name for Gaberdine and this “*knowing*” generated a sale of at least 405 meters of material. Besides influencing sales, many participants perceived that knowing the product facilitates procurement and not knowing the product means not being able “*to buy a good product*” (Azmat, Hasan, and Tariq, retail founders). That, perhaps, implies that if a good purchasing has not been made, a good sale, will probably never be made, because “*the product should be that good*” that it has the potential to “*sell itself*” (Didar, retail founder).

In short, these participants believed that knowing the product is strongly related to their business success, including profitability and growth, as different manifestations of business success (Hansen and Wernerfelt, 1989 ; Reijonen and Komppula, 2007). Knowing the products means: knowing the characteristics of the products, their background, aftercare advice as well as similar products that are being sold by competitors and demand in the market. In contrast, not knowing the product was linked to being unable to make a good procurement, and thus, being unable to sell, potentially leading to business loss and jeopardising the long-term prospects of business success. In addition, not knowing the product may also lead to mis-selling due to ignorance, therefore potentially leading to customer dissatisfaction, as exemplified by Akhtar:

... if you do not have knowledge of what items you are selling.... you will be giving [customers] something else [than what they have asked for]... customers will not be satisfied and they will go somewhere else... (Akhtar, retail founder)

In addition to potentially losing business and/or customers, not knowing the products was linked to the risk of losing integrity of the business and/or the sales agent: *“if I do not know the material then people will say if you don't know the material why you are selling it”* (Zubia, retail manager). Not knowing the product was also associated with lack of confidence among customers and eventually to losing them and/or business: *“if you do not have [product] knowledge... then the customers will not have confidence in you and in your product and they will go somewhere else”* (Kuldeep, retail and wholesale owner).

In sum, participants valued product knowledge highly but they related the concept of knowledge to knowing their own, those of the competitors', and the types of products that are in demand in their sector. They felt that knowing products contributes to sales, in addition to several other tangible benefits, such as attractive pricing regimes according to market conditions, procurement of saleable products, and enhancing self-confidence. On the contrary, not knowing the products was felt to result in lack of, or no, sales, customer dissatisfaction, and loss of customers, all of which can negatively affect business success. It is not just knowledge about products that is needed, according to the participants, but about customers too: *“knowing the product and knowing your customer and the way you deal with your customers is very important”* (Musa, retail founder).

8.1.1.2 Knowledge about customers

Gibbert et al. (2002, p. 459) highlighted knowledge about customers, or knowing the customers, or customer knowledge (hereafter customer knowledge) as *‘Corporations are beginning to realize that the proverbial ‘if we only knew what we know’ also includes ‘if we only knew what our customers know.’* Zanjani et al. (2008, pp. 52-53) defined customer knowledge as: *‘[it] is a kind of knowledge... that the company attains in order to know its targeted customer better.’* They articulated: customer knowledge is necessary *‘for organization[s] to be more efficient and effective in delivering products or services to customers... to ensure that the services organizations provide are*

those that will address customer needs' (Zanjani et al., 2008, p. 51). With regard to the importance of customer knowledge, Kumar et al. (2006, p. 293) argued: in today's competitive market environment businesses that have '*better understanding and knowledge of their customers*' can enjoy a critical competitive advantage over rivals.

In the current study, the importance of customer knowledge was understood as: "*knowledge about customers makes easier for them [sales persons] to deal with any situations*" (Kuldeep, retail and wholesale owner). The participants maintained: "*the person with maximum knowledge about customers... will definitely win the race and will be a successful person in the business*" (Azmat, retail founder). The way in which knowing the customers might lead to meeting their needs and provides tangible benefits for the service providers or their businesses is exemplified by Irem:

... first of all you need to know what your customers want and what they are ready to spend because then... you can show them only those products and services which interest them and which they are happy to pay for and by doing this you can save time for yourself as well for your customers... (Irem, retail manager)

Customers do not necessarily come to buy the same items each time they visit a shop. How, then, does this business community know what their customers want? Their concept of "*knowing*" the customers and/or their needs is not very different than what Davenport and Prusak (1998, p. 6) have argued: '*Knowledge develops over time, through experience that includes what we absorb from courses, books, and mentors as well as informal learning.*' However, while they seemed to give little importance to '*courses*', '*books*', and '*mentors*', they considered their "*knowing*" of customers and customers' needs to be situated in their own experiences or in their '*informal learning*':

... based on my experience sometimes I can judge people when they walk through the doors that if these people are seriously after something... if I have that knowledge to guess their behaviour then, of

course, I will deal with the customers accordingly... (Adil, retail founder)

... because of your experience and previous knowledge by looking at a customer only, you can tell what the customer wants and how much the customer can pay... (Jamal, retail manager)

In short, like knowing the products, knowing the customers was also considered important, because: “*it's the knowledge [of customers] which sells the product*” (Mansoor, retail and wholesale owner) and “*more knowledge [about customers] leads to efficiency*” (Azmat, retail founder). This may be true in other sectors too, but what is unique in this study is that their understanding of knowledge is limited to “*knowing*” as a form of applied knowledge which, according to them, is underpinned in their own personal learning, perhaps, within these and/or other similar businesses.

In addition to “*knowing the products*” and “*knowing the customers*”, a minority of participants indicated that knowing the suppliers is also important. However, they did not make this point clear except one, who said: “*you need to have in-depth understanding of how we work with... customers and suppliers*” (Shahid, retail and wholesale owner). The aim of mentioning this minority view is to show the diversity of views that these participants expressed.

In sum, it may be debatable that this business community does not perceive knowledge the way mainstream scholarship does. For example, as already mentioned, Davenport and Prusak (1998) and Soriano and Castrogiovanni (2012) seem to believe that knowledge is developed over time by attending academic courses, reading books, and learning from mentors as well as from informal sources. However, these participants have disregarded all of these sources, except informal learning. That said, their views seemed to be relatively more (not entirely though) aligned with what Schwandt (1994, p. 239) conceptualised: ‘*knowledge is not a particular kind of product (i.e., a representation) that exists independent of the knower, but an activity or process.*’ These participants felt that knowledge is not an absolute end product; rather, it is an activity which creates value if performed in a particular context.

The context of this study is to deal with coethnic South Asians and the activity is frequently manifested by participants as “*knowing*” mostly products and customers. Moreover, their description of applied knowledge or “*knowing*” further matched with what Schwandt (1994, p. 240) implied: ‘*to know is to possess ways and means of acting and thinking that allow one to attain the goals one happens to have chosen.*’ Correspondingly, participants widely felt that their “*knowing*” is a means to achieve and sustain their business success. I will now discuss how knowledge is seen as being shared as a way of creating organisational level knowledge in these businesses.

8.1.2 Knowledge sharing

The process of knowledge sharing, a way of creating organisational level knowledge, is defined by Lee (2001, p. 324): ‘*activities of transferring or disseminating knowledge from one person, group or organization to another.*’ Drawing on extant research Haq (2016, p. 278) has offered a more precise argument: knowledge at the organisational level ‘*is created through a process called knowledge-sharing where the knowledge owner shares their knowledge with others through a form of messages or practices that are understood/matched by belief systems and experiences that people hold.*’ While it is recognised that the process of knowledge creation is far more complex than merely sharing it, based on the data that were collected and analysed, the current study explores knowledge sharing only as one part of the knowledge creation process. Nonaka and Toyama (2003, p. 3) described this process as:

... knowledge creation is a transcending process through which entities (individuals, groups, organizations, etc.) transcend the boundary of the old into a new self by acquiring new knowledge. In the process, new conceptual artefacts and structures for interaction are created, which provide possibilities as well as constrain the entities in consequent knowledge creation cycles...

But first, it will be useful to understand how interpersonal knowledge sharing benefits organisations. According to Hsu and Chang (2014, p. 119), knowledge

sharing ‘*can enable... [organisations] to strengthen innovation ability, raise performance and sustain competitive advantage.*’ Talking about knowledge sharing in the current study, participants said: “*sharing knowledge is of course very important*” (Amjad, retail manager). They felt the aim of “*sharing knowledge is... to empower... people*” (Shazia, retail founder), pointing to their collectivist group characteristics (Pruett et al., 2009). Moreover, the consequence of knowledge sharing was perceived as a win-win situation: “*if you teach other people how to run the business by sharing your knowledge this will, of course, help everybody*” (Musa, retail founder), which is similar to what Shah et al. (2006, p. 115) argued: in customer-centred organisations a ‘*common norm... shapes the individual employee’s willingness to share information with his or her counterparts, so the entire firm is in a better position to meet customer needs.*’ Kumar (retail manager) affirmed this win-win situation and felt that “*we need to share our... knowledge with each other*”, because “*we understand if the business develops we will develop with the business as individuals.*” He believed that through knowledge sharing employees can “*take the company further.*”

With regard to knowledge sharing, extant scholarship has widely argued that it is the shared knowledge which becomes an organisational level resource (Ipe, 2003 ; Liu et al., 2010 ; Gibbert et al., 2002 ; Lee, 2001 ; Wang and Wang, 2012 ; Gale and Vance, 2012). It is also shown that knowledge sharing impacts firm-level efficiencies (Jones et al., 2007 ; Wang and Wang, 2012). With reference to motives to share, or not to share, knowledge amongst people, past scholarship has identified a range of drivers including potential incentives and interpersonal relationships leading to trust, but also argued that uncertainty, which arises from fear of losing power, is an impediment to knowledge sharing (Ipe, 2003 ; Chen et al., 2014 ; Hsu and Chang, 2014). Power is defined by Schwartz and Bardi (2001, p. 270) as: the ‘*Social status and prestige, control or dominance over people and resources.*’ In the current research, participants identified three distinctive factors, which they believed influence the propensity of sharing knowledge. These are education, interpersonal relationships, and ethnic culture (including religion), which are discussed next.

8.1.2.1 Education and knowledge sharing

Wang and Noe (2010, p. 119) defined the relationship between education and knowledge sharing as: *'employees with a higher level of education... are more likely to share their expertise and have positive attitudes toward sharing [knowledge].'* Participants in the current study tend to agree with Wang and Noe's assertion and proffered three reasons in support of their belief. These are educated people are more knowledgeable, they use language better, and they have more confidence than un- or less-educated people²⁵. These are discussed next in turn.

As for the perception of educated people being *"more knowledgeable"* participants said: *"people with more... education will be able to share their knowledge with other people more frequently because they are... more knowledgeable"* (Arif, retail founder); *"if somebody is more educated then they will have more knowledge... compared to uneducated or less educated people"* (Didar, retail founder); and *"if you're not educated then you... might have less knowledge so you will not be able to... share your knowledge"* (Tasleem, retail manager). They referred to education in its literal sense, i.e., formal academic qualifications, and felt that the level of formal academic qualifications determines why and how people share knowledge:

... educated people will share more knowledge with others and will share their knowledge in a better way with others, because these people can create... a classroom environment to teach their colleagues... (Adil, retail founder)

In addition to apparently knowing more, they felt: *"educated people can use the language properly and the words in the language properly"* (Azmat, retail founder). Thus, educated people seemingly not only know more, but they also know better, because they are *"able to explain things to employees [colleagues] in detail, in a better way than somebody less educated"* (Nasreen, retail owner).

²⁵ Though participants did not explicitly make it clear what they meant by more or less educated people, there are indications in the data that they refer to educated (or more educated) people as having college and/or university level education. This will become clearer in the 'Education' section later in this chapter.

With reference to the relationship between education and confidence, in line with extant research (e.g., Wang and Noe, 2010), participants maintained: educated people “*are generally more confident in themselves and they... are open-minded*” (Tariq, retail founder); and “*they understand that... if they share knowledge with other people, then other people will use that knowledge in their own way*” (Azmat, retail founder). In contrast, it was understood that less educated people “*cannot put their words in front of an educated person... because they don't have that confidence*” (Irem, retail manager).

In general, less educated people were understood to not share their knowledge with others, primarily due to lack of confidence. This line of argument was exemplified as: “*less educated people have less confidence in them... they think if they share knowledge with other people, then other people might supersede them*” (Azmat, retail founder); “*they have this risk in their mind that by sharing knowledge they might lose their job or status*” (Tariq, retail founder) or “*simply because they will think if I share my knowledge with him he might overtake me*” (Mansoor, retail and wholesale owner). Moreover, “*less educated or uneducated people*” were considered “*closed minded*”, which was linked to the fear of losing their “*position or job*” (Tariq, retail founder). On the contrary, participants described educated or more educated people (in relation to knowledge sharing) as: “*[educated people] understand that nobody can take their position*” (Azmat, retail founder) and “*they [educated people] know that they have their own place in the company and nobody can take their place*” (Khalida, retail owner).

In sum, in the context of knowledge sharing participants appeared to value formal education highly because they felt that it increases the amount of knowledge and confidence as well as ensuring job security. As such, these findings seem to be in line with the argument made by Ipe (2003) and Wang and Noe (2010): high levels of self-confidence reduces the risk of losing job/position and thus, increase the propensity of knowledge sharing. That being said, there seems to be a contradiction in the data. While participants in the previous section valued knowledge highly, they referred to applied knowledge or “*knowing*” which they felt is gained through experience in the same or similar

organisations and not typically through reading books, attending courses, and through mentoring. In contrast, they widely considered that educated people share more knowledge, perhaps, because they are more knowledgeable, are better communicators (or use language more effectively), and have greater self-confidence than their un- or less-educated counterparts.

Finally, it seems to be the conventional wisdom, in a general sense, that educated people are more knowledgeable than un- or less-educated counterparts, hence they share more knowledge or they share knowledge more frequently (Wang and Noe, 2010). However, according to Viswanath (2005, p. 833), it is not only education levels that make people more knowledgeable but other socio-economic factors, in other words social class, are also at play: *'People who are well educated, of a higher income, and who have more interpersonal contacts with similarly educated people are more knowledgeable and have greater resources for acting on information.'* Thus, knowledgeability is perhaps more complex than what these participants appear to understand. The next section takes further what Viswanath referred to as *'interpersonal contacts'*, followed by cultural factors (including class, income, and religion) with regards to knowledge sharing.

8.1.2.2 Interpersonal relationships and knowledge sharing

I have discussed in the previous chapter the importance of (inter)personal relationships, according to these participants. This is seen again in the context of knowledge sharing: *"interrelationships in between members of staff do affect their knowledge sharing"* (Ameen, retail founder), because *"if people have good relations, then they will trust in each other and they will be not reluctant to share their knowledge with each other"* (Tasleem, retail manager). That is, *"if members of staff have friendly relationships between themselves then... they are more likely to share their knowledge more freely"* (Tariq, retail founder). In contrast, *"when people do not get on well within a team they will be less likely to share knowledge with each other"* (Shakoor, wholesale owner), because of lack of trust and/or uncertainty arising from fear of losing power due to knowledge sharing (Hsu and Chang, 2014). With regard to the link between power and

knowledge, Schwartz and Bilsky (1987, p. 552) posited: *'power is associated with control over many rewarding resources.'* Wang and Noe (2010, p. 124) believed: individuals enjoy *'personal gains such as cash bonuses, promotions, stretch job assignments, and protection from layoffs'* due to their distinctive positions in organisations by virtue of the knowledge they possess.

However, participants in the current study implied that friendly interpersonal relationships lessen the feeling of the risk of losing power due to knowledge sharing and thus, reduce tension between colleagues, perhaps, because of high levels of trust between them (Hsu and Chang, 2014 ; Chen et al., 2014). For example, Amjad (retail manager) felt: *"having close relationships with each other will always feel more comfortable talking to each other"*, which increases the chances of knowledge being shared between them. This is because the more people talk to each other, the more likely they are to develop interpersonal trust, which *'is treated as a knowledge-sharing facilitator'* (Hsu and Chang, 2014, p. 120). Wang and Noe (2010) suggested that while interpersonal relationships affect the propensity to share knowledge, knowledge sharing, in turn, enhances interpersonal relationships between people due to potential reciprocity.

In sum, this research has shown that interpersonal relationships present a complex phenomenon, which can exist at different levels in an organisational context. For example, the previous chapter highlighted the perceived wide-ranging contribution of good relationships with customers, suppliers, the wider community, local organisations, and between the owners/managers and their workforce in the success of their businesses. The above section implies that intimate interpersonal relationships play an important role in knowledge sharing. Similar to their perceptions about the role of relationships, which were mentioned in the previous chapter, here too, participants seem to believe that interpersonal relationships create an environment of trust and respect between people, which perhaps shapes their knowledge sharing behaviours. In a way, these findings extend extant scholarship that has argued that knowledge sharing between individuals is the outcome of how much they know and trust each other (Renzl et al., 2005 ; Du Plessis, 2007 ; Ipe, 2003).

Moreover, participants implied that lack of education can possibly be replaced with good interpersonal relationships, and vice versa, in the context of knowledge sharing. Furthermore, earlier in this chapter, participants maintained that “*knowing the product*” and “*knowing the customer*” are important, here they felt that “*knowing each other*” is also important. I will now explore how ethnic culture (including religion, class resources, and income) shapes the propensity of knowledge sharing in these businesses.

8.1.2.3 Ethnic culture and knowledge sharing

The wider applicability of ethnic cultural resources, including religion, is discussed in Chapter 9. This chapter only discusses these resources in the context of knowledge sharing.

According to the participants, Asian “*culture is very competitive*” (Saima, retail manager), hence it is perceived to create interpersonal rivalry leading to the prevention of knowledge sharing amongst them. They seemed to base their belief, that culture impedes knowledge sharing, on three reasons: in Asian culture, knowledge is linked to power and by sharing it, they feel they may lose power; Asian people are jealous of each other; the caste system encourages social segregation of people and thus discourages knowledge sharing.

With reference to a source of power, participants maintained: “*knowledge brings certain amount of power and prestige*” (Azmat, retail founder), “*because of [this] the Asian culture discourages knowledge sharing*” (Saima, retail manager). Shahid (retail and wholesale owner) made this point clearer: “*[it] is purely down to the culture of... their originating countries... where knowledge is not shared easily, knowledge is power in the culture where they come from.*” He continued that the perception of culture and the associated power and status it brings “*leads them to not share their knowledge openly.*” Interestingly, Shahid (a third-generation British born family business owner) suddenly distanced himself from his workforce, who has the same ethnic roots. While accepting that knowledge is considered as a power in their culture, by using the language he implicitly

manifested a class difference between him and his workforce whom he felt were not sharing knowledge, apparently, to protect the power which they purportedly enjoy due to the knowledge they possess.

His perception was echoed by a number of other owners, who belong to relatively established businesses. Mani (retail founder) said: this *“type of... typical Asian thinking”* leads to a belief that *“If I share too much knowledge with others I might lose power or prestige.”* Kuldeep (retail and wholesale owner) also maintained that knowledge not being shared is an ethnic cultural phenomenon. He too distanced himself from his coethnic South Asians: *“Asians feel threatened if they give too much of their knowledge away to others.”* Adding to this debate, Shahid further exacerbated the apparent class difference between him/his family and the workforce and blamed them for not behaving according to his expectations: *“we transfer our knowledge as a family very openly but then we find that the employees are not doing the same, it's constant struggle trying to do that.”* The feeling of belongingness to the upper echelon of the social class was not only due to business ownership but, perhaps, also because of income levels. For Arif, being not equal with others in relation to social status and/or income levels precludes knowledge sharing even among family members. He provided a humorously illustrative and typical example:

... my younger brother is a solicitor... he gets a bigger wage than me so in our house even if he is younger than me but his status is higher than mine [loud laugh]... the other example is, my uncle's son is a doctor and his status is even higher than all others in the family [louder laugh]... they don't share their knowledge with others in the family... they want to maintain that status and that prevents their knowledge sharing, I think that's the typical type of Asian politics because Asian politics works on the same formula because people who are higher in politics think that nobody should reach their level and everyone should stay under them.
(Arif, retail founder)

According to Light and Gold (2000) and Chronister (2006), the level of income is a crude class resource that has the potential to create boundaries between

people and can impede the prospects of knowledge being shared. In line with these scholars, Arif's narrative illuminates a belief that was exhibited by many participants that the tendency to share (or not to share) knowledge with others is deeply rooted in class differences in addition to "*Asian culture*" even among people who are born and bred in a more open society like the UK. They acknowledged: "*the power and status concept is not*" that "*important in the UK*" as it is in Asia like "*in Pakistan and India*", where it "*prevents people to share their knowledge with others*" (Akhtar, retail founder).

Whatever the reasons may be (class, culture and so on) they felt that this type of typical behaviour gives rise to "*ego and jealousy*" which makes them "*keep hiding*" good things, such as knowledge, from each other even if they are "*living in the same house as a family... they just wait for other people to make a mess and then have a laugh at them*" (Rukhsana, retail founder). This culturally-informed show-off behaviour is manifested in Mansoor's (retail and wholesale owner) relationship with his father, the only person more senior to him in their family business, as: "*I will let him make the loss and then say ha-ha and the next time correct him saying that I knew this already.*"

In addition, the caste system is also considered an impediment to knowledge sharing because it too "*encourages people to keep secrets*" (Umar, retail founder). They felt: people "*from a higher caste... don't want to share their knowledge with anybody*" outside their caste (Didar, retail founder) because "*they think they are better than others*" (Umar, retail founder). In short, the "*caste system in Asian culture... prevents knowledge being shared between people*" (Mani, retail founder), perhaps because, the caste system creates bias and mistrust among people and thus, it undermines motivation to share knowledge (Guiso et al., 2006).

Unlike the overall ethnic culture and the caste system, religion, as a constituent of the overall ethnic culture (Guiso et al., 2006), was considered by a majority of this business community as a facilitating factor in knowledge sharing. They contemplated: "*religion does encourage knowledge sharing between people*" (Irem, retail manager); "*[religion] does encourage to share whatever knowledge*

you have, you should share with other people” (Akhtar, retail founder); *“our religion, Islam, encourages knowledge sharing because Muslims believe it is their religious responsibility to pass on their knowledge to others”* (Saima, retail manager); and *“Islam as a religion does encourage people to share knowledge with each other”* (Zubia, retail manager).

Participants felt that, through knowledge sharing, religion aims to ensure that *“everybody will be knowledgeable... and nobody will be”* left behind. In other words, religion encourages: *“spreading knowledge as widely as possible”* (Arif, retail founder) *“to make human beings better”* (Umar, retail founder). The notion that religion encourages knowledge sharing for the betterment of humanity was exemplified by Shazia (retail founder) as: *“religion always encourages people to share their knowledge with each other because you want to empower other people... so that people could make informed choices.”*

In short, participants considered ethnic culture and the caste system as impediments to knowledge sharing. Religion, in contrast, was considered a facilitator in knowledge sharing. However, these were not entirely homogeneous views amongst them. Some contradictions were found in the data. While most Muslim participants, as the dominant majority group, stated that their religion encourages knowledge sharing, one of them (Hasan, retail founder) felt that both (ethnic) culture and religion are not related to knowledge sharing. He believed that to share or not to share knowledge is a personal trait. Amongst the non-Muslim participants, Ravinder (retail and wholesale owner) and Kumar (retail manager) agreed with Hasan. Kumar epitomised: *“what is important is a working culture within the organisation, in our case, our organisation culture is such, we share knowledge and we have a teamwork environment.”* By downplaying the role of (ethnic) culture and religion and highlighting the organisational culture in knowledge sharing, Kumar contradicted the views of many owners who implied that they share their knowledge with employees, but felt employees do not do so specifically amongst each other. Thus, it seems that a degree of contradiction exists between employers and employees in relation to the perception of knowledge sharing. However, both groups considered culture acts as an impediment in knowledge sharing.

In sum, in contrast to the conventional wisdom that '*knowledge... [is] obtained from formal education*' (Soriano and Castrogiovanni, 2012, p. 337), participants maintained that they gain knowledge from experience, typically within their own sector, and not from '*reading books*', '*attending courses*', and/or from '*mentoring*' per se. They referred to this process as "*knowing*", mostly products and customers. Therefore, they discounted the role of education (in its literal sense) in gaining knowledge. However, they seemed to contradict themselves by saying that education plays an important role in knowledge sharing. In particular, they expressed a range of views, at times owner-managers contradicting employee-managers and in some cases even self-contradicting. They tend to suggest that educated people are more knowledgeable, have better communication skills, have more confidence and are more open-minded than un- or less-educated counterparts.

In addition to education, they highlighted the role of interpersonal relationships in knowledge sharing, perhaps because of trust as an outcome of good interpersonal relationships, as discussed in the previous chapter. As for religion, specifically Islam, they maintained that it encourages knowledge sharing, perhaps as an obligation so as to empower the entire society. According to Choudhry (2001), this concept in Islam is similar to Karma in Hinduism, i.e., they seem to believe that certain fundamental outcomes in life are preordained. Thus accordingly, also posited by Keyes and Daniel (1983), they do not feel threatened to share their knowledge widely.

In contrast to education, interpersonal relationships, and religion, participants considered ethnic culture and the caste system as impediments to knowledge sharing and blamed them for creating competition, jealousy, mistrust and bias among people. Because of these perceived negativities, participants felt that people do not share knowledge in order to protect power, status, and prestige. These perceptions are similar to those found in several past studies where scholars (e.g., Ardichvili et al., 2006 ; Riege, 2005 ; Ipe, 2003 ; Li et al., 2006) have argued that culture and the caste system are linked to creating interpersonal jealousy, creating fear of losing power, status, and prestige.

In addition, there were some indications in the data that the status of people and their income levels determine their perception of other people's attitudes to knowledge sharing. For example, several owners of these businesses seemed to distance themselves from employees with reference to knowledge sharing. They claimed that they shared their knowledge with staff, but blamed the workforce for not sharing knowledge with each other, though this view was challenged by most employee-managers. In a way, these views of the owners also seem to be self-contradictory, because most of them have previously described customers, suppliers, and the workforce as "*family*" and/or "*friends*." Here, they seemed to feel that they are different from their workforce. Moreover, some of the participants said that people hide good things, such as knowledge, from each other due to their social status and income levels, even if they are closely related by kinship and/or belong to the same immediate family.

Overall, in line with extant research (Wang and Noe, 2010 ; Nonaka and Takeuchi, 1995 ; Nonaka and Toyama, 2003), knowledge sharing in the selected businesses seems to be a complex matter, which is perhaps contingent on several issues including context, personal beliefs, and expected outcomes. That being said, I did not seek the views of the ordinary employees, hence it is not possible to draw a conclusion with certainty. Next, I will discuss how experience, another IHF, is perceived important for business success in the sample businesses.

8.2 Experience

According to Soriano and Castrogiovanni (2012, p. 337), experience represents '*knowledge and skills gained by observing and dealing with a variety of situations encountered.*' They believe that experiences as '*entrepreneurial skills influence SME performance by helping* the ownership/management '*to evaluate opportunities and utilize resources more effectively.*' Having a similar understanding, participants in the current study believed: "*it is the experience which is important in our type of business*" (Ravinder, retail and wholesale founder), because "*if you do not have experience you will be really struggling...*

you will face real difficulties” in running a business (Rukhsana, retail founder). They differentiated “*previous relevant experience*” from having just any “*experience*” which may not be relevant, though they considered both useful.

For the owner-managers, it was their experience that led them to do what they are doing: “*the primary reason I started this business [was my] previous relevant experience*” (Basit, retail founder). Hasan (retail founder) thought he could have ended up as a taxi driver or working in a fast-food outlet, which could have ruined his family life, if he had not had the relevant experience that led him to establish his own garments business where he is able to strike a balance between family and business life. They maintained that more experience could have led them to more success. For example, while Aziz, (retail founder) believed that his previous experience in textiles as an employee helped him to run his own business now, but he wished he had more experience.

For Azmat (retail founder), more relevant experience could have meant knowing more/better about the products according to market demand as well as sources/suppliers of the products. He essentially seemed to suggest that experience drives organisational success by enabling the entrepreneur ‘*to evaluate opportunities and utilize resources more effectively*’ (Soriano and Castrogiovanni, 2012, p. 337), already mentioned. In his case, to assess the quality of the products, price them competitively, and utilise his time more effectively.

In addition to themselves, they also considered experience to be important for the workforce. For example, Didar (retail founder) felt: the workforce “*have to have hands-on experience... [they] need to do things on practical basis*” in order to perform their tasks effectively. He, amongst numerous others, concurred that staff with previous experience not only save them time and money, but they also “*deliver quicker and faster*” results than those without previous relevant experience. Shakoor also linked members of staff who have previous relevant experience to saving time and money by delivering faster results:

... the lady who started recently had been working in a textile field before, she is almost 70% ready... if we bring in a new member of staff with no prior experience... it... could have costed us more in the long run... (Shakoor, wholesale owner)

Many other participants also explained what it means to have experienced employees, including Qamar (retail and wholesale owner): *“you need... [to] be able to cut the fabric accurately as making a mistake can ruin the material, so somebody who has the type of previous experience already can go straight there to do the job and we will let them do it.”* In addition to saving time and money, experience was linked to confidence:

... we got one guy who came over here from Pakistan... I feel like my other staff do a better job in selling than him... what happens sometimes [is]... say an item is £100 and the customers say we want for £80... with the other staff, they would say no... but... [he] would say something like Bajī²⁶ what should I do... he's not very confident... it's more due to the experience... (Rubi, retail and wholesale owner)

Overall, the entrepreneurs/owner-managers strongly believed that relevant experience for themselves and for their employees is a necessary requirement to be successful in their sector. Employee-managers seemed to have similar perceptions: those with relevant previous experience are *“an asset, they can communicate with the clients from day one”* (Kumar, retail manager). Irem, another retail manager, gave an example of a colleague who recently started working for her employer: *“he had previous relevant experience in the same field... it was easy for him to communicate with the clients from day one... we did not have to waste any time training him.”* Highlighting the value of experienced employees, Hamid (retail manager) said: *“there is no alternative to experience... it is always preferable for our staff to have previous similar background of business.”*

²⁶ Bajī means elder sister in Urdu

Like owner-managers, employee-managers wished they had more experience. Tasleem' perception is an exemplar:

... if I had ... previous relevant experience then... I could have done a lot better than what I did especially the first few weeks... if I have to go somewhere else in future to do similar work I would be at a better position and will perform [better]... (Tasleem, retail manager)

These findings are in accordance with Basu and Goswami's (1999) conclusion that prior relevant experience of those working in Small South Asian family businesses have the potential of contributing towards the overall business success. It has also been highlighted by Jones et al. (2007) and Crook et al. (2011) that inexperienced employees cost time and money for the employer.

While relevant experience was regarded very highly by this business community, it was also felt that any experience is better than no experience: *"The important thing is if they [workforce] have some sort of business and customer dealing experience, it is useful"* (Adil, retail founder). With restaurant experience in the past and currently running an Asian fashion clothing shop, Rajab (retail founder) felt that while general experience might not create the same value as that of relevant experience, general experience helped him in running his business. Similarly, Umar (retail founder) found that his experience from the banking industry helped him in running his Asian fashion business *"to some extent."* Mani (retail founder) concluded: the more general experience *"you have the more... confidence you will have."*

In contrast to the majority view, a minority of the participants thought that experience was irrelevant. They linked prior relevant experience to overconfidence, leading to a perceived inertia for learning company *"specific ways of doing things"* (Jamal, retail manager). Aslam (retail manager) was not sure if previous experience was useful and felt that a previously experienced person *"might have been moulded by the previous employer."* He continued: *"the new person can be moulded in our ways, we can teach them and help them and they relate to the way we actually relate to the customers."* Mukhtar

(retail and wholesale manager) also discounted the importance of previous (relevant) experience, but in his opinion, it depends on the nature of the work: *“previous relevant experience may be relevant in office work but in our company, it is not that relevant.”* Finally, Zahid (retail manager) felt that relevant experience may be useful in this sector, but not any experience. He said, just having experience in other sectors *“might not mean anything.”*

In sum, the dominant perception amongst participants was that they started their businesses primarily due to previous relevant experience, which seemingly gave them a unique advantage over those who lack such experience. These findings are in line with extant scholarship in which researchers (e.g., Ahmad, 2008b ; Millán et al., 2012 ; Crook et al., 2011 ; Mahsud et al., 2011) have argued that experienced people perform better, work faster, and make fewer mistakes saving time and money for their employers. According to Schultz (1961), Blaug (1976), and Soriano and Castrogiovanni (2012), previous relevant experience enables people to understand the business better and have more confidence in themselves than those who lack relevant experience. Thus, these participants referred to people with previous relevant experience as “assets.” In addition to relevant experience, any experience, in general, was also considered beneficial to some extent because it was felt that people with any experience also learn quickly and save time and money for their employers.

These views of the participants can be linked with the previous two chapters where they highlighted the need to understand customers, and then develop good relationships with them. In addition, this sub-theme strengthens the argument that was made in the previous chapters that this business community employs a particularly local view of the world that is perhaps shaped by their ethnic culture. Moreover, what has also been found common between relationships, knowledge, and experience is that they all are perceived to lead to confidence between the participants and their customers. Furthermore, participants felt that developing trust between them and their customers was a common outcome of good customer service, relationships, knowledge, and experience.

Besides the above dominant view, other opinions also existed. A minority, who considered experience as irrelevant in their sector, seemed to believe that it leads to overconfidence and creates inertia to learning company-specific procedures/techniques. Others, amongst this minority, did not reject the importance of relevant experience outright, but felt that just having any experience does not mean anything in their sector due to the specific nature of the businesses and/or their customer base. The next section deals with how people develop experience, i.e., the issue of training.

8.3 Training

According to Campbell et al. (1970, cited by Van Gramberg and Baharim, 2005, p. 2), training is defined as: *‘a planned learning experience designed to bring about permanent change in an individual’s knowledge, attitudes, or skills.’* Participants in the current study seemed to have a similar understanding about training, and in line with extant research (e.g., Haq, 2016 ; Hatch and Dyer, 2004), they attributed training to creating firm-specific skills. They appeared to focus on on-the-job training overwhelmingly. They used phrases like *“in-house training”*, *“learning by doing”*, *“doing stuff while watching”*, and *“on-the-job training”* to refer to the same concept of how people learn while working. Shahid (retail and wholesale owner) expressed a typical perception of how training or on-the-job training is defined and understood in this sector: training refers to *“tried and tested procedures... that [are] developed over the years”* and that are considered *“the key to”* success of these businesses.

Others highlighted the outcome of the *“procedures... that [are] developed over the years”* as: *“it makes 100% difference for the business”* (Akhtar, retail founder); and it is *“extremely important for the success of our business”* (Hasan, Tariq, retail founders). Zahid (retail manager) called it *“practice”* and articulated: *“practice makes a person perfect.”* He quoted a real-life example: *“we got two ladies in the shop, they are from Pakistan and they don't have high levels of qualifications, but after one and half years working with us they are the best salespersons in our store.”* But, how does learning occur through on-the-job training in these organisations?

Data suggest that there are two sources of on-the-job training that lead to learning firm-specific skills: internal and external. Not many participants elaborated the external sources of on-the-job training, but one highlighted: *“you learn a lot of things from customers as well as from time as well as from suppliers”* (Adil, retail founder)²⁷. Their perception about external training seems to be in line with what Simpson et al. (2004, p. 486) found: *‘Two of the companies [out of 14]... were quite clear that external education and training was of little or no value and preferred to do their own training.’* That leaves internal sources as the main source, but within it there seem to be two sources of learning about company-specific procedures. First, watching how seniors carry out activities and second, by rotating staff in different departments.

With regard to learning about organisational procedures from seniors, participants said: *“we can teach them our rules, our principles and about our standards... that can bring a lot of benefits”* (Jamal, retail manager). This method of staff development is similar to what Hatch and Dyer (2004) called a great way of creating/accumulating a set of skills, which they argued enables the workforce to learn their duties quickly and leads to enhanced individual and organisational performance. The need for learning organisational procedures was exemplified by Saima as:

... everybody has to learn certain things which will be specific and appropriate for this company only, so it helps us in running this business because our systems are unique and our policies are different than other companies, our way of working is different... (Saima, retail manager)

In addition, Kumar (retail manager) maintained that 80% of all training in the company he works for happens on-the-job where new employees are assigned basic duties to start with *“but over a period of time... gradually they get trained while helping others”* and by watching people that are more experienced. Hasan provided a more elaborate example:

²⁷ The aim of mentioning this lone view is to demonstrate that the views of the participants are not entirely homogenous.

... I introduced my wife into the business... initially she was a bit reluctant but eventually, she learned by watching me and by doing work on-the-job and now [after] 7 to 8 months... she handles all the business matters without my help... (Hasan, retail founder)

It short, some of the sample businesses induct new employees into basic tasks and do not allow them to do serious activities unless they get trained. Others seemed to use more interactive means, such as making new-comers watch those who are already trained, to make sure that they are working as they are supposed to. They implied that both of these ways were less time consuming and inexpensive, yet effective methods of staff development. Thus, on-the-job training implicitly replaces lack of previous experience.

As for rotating staff in different departments, as a means of on-the-job training, participants believed, their workforce do not only get trained in performing a variety of tasks, but they know more about the business and its aims, in addition to each other as colleagues. Khalida (retail owner) implied that staff rotation makes the workforce more familiar with what the business stands for, in addition to providing them with a source of enjoyment, as some people seemingly prefer to keep doing different things. Zahid provided a real-life example and epitomised how this way of on-the-job training makes people “*all-rounders*” and helps them to become “*multitasking*”:

... today we are working only two people in the shop floor and I am here in this meeting with you, my other colleague is serving customers in all the departments at the same time, this is how we train people... to be multitasking and I think that is the key for success in our business... the gentleman... working in the gents department, from time to time I ask him to work in the ladies ready-made department, similarly girls working in the jewellery and the ladies ready-made department, we transfer them occasionally to work upstairs where we sell menswear and footwear and that's how they get trained in all the departments... (Zahid, retail manager)

The above quotes, as exemplars, indicate that members of staff in this sector have to go through extensive in-house training irrespective of the length of their service so that they can understand the overall business philosophy. That, perhaps, helps them make their contribution to the overall success of the business.

As for the specific outcomes of on-the-job training, it creates similar effects as those of knowledge and experience. That is, as knowledge and experience, on-the-job training makes people more productive (than their counterparts who lack such training), leading to creating tangible benefits in the form of saving time and money for these businesses. Aziz (retail founder) stated: *“you learn when you actually do things and you avoid mistakes next time which saves time and money and gives you mental happiness.”* Adding value to this point and in line with extant research (e.g., Crook et al., 2011), Basit believed:

... when you have trained people in place and if you're busy then they don't bother you... they just get on with their job... they are more productive and they make you to be more productive... that saves us time and money and we can focus on other things. (Basit, retail founder)

In addition to saving time and money, on-the-job training was linked to developing confidence and above average performance:

... this lady used to be a depression patient and the doctors told her to get out of her house, make some friends and do some work... she approached us... she was shivering and was very shy... when I asked her to talk to a customer... she said I can't do that... I said to her watch me while I was talking to a customer... after I served few customers [in front of her] ... she said this is very easy I can do it... she is working for us [now]... she is a very good member of staff, she is very confident and depression has gone... (Zahid, retail manager)

Thus, there seems to be a link between knowledge, experience, and training, in addition to relationships (discussed in the previous chapter) as they all are apparently associated with confidence building. In particular, a specific link seems to exist between experience and training, because experienced people were called “assets”, whereas on-the-job trained people were referred to as “resources”:

... the business depends on that person [fully trained] whereas if a person is not fully trained than they need to depend on those who are trained when we have... limited persons who are trained then that means we have limited resources in place... (Kumar, retail manager)

While participants valued on-the-job training highly, there were some indications in the data that they tend to value any training to some extent even if it has not been delivered on-the-job. For example, Kumar (retail manager) said: “*we need more trained people even if they are trained up to some extent then we can take them further by giving them more training in-house.*” What Kumar seems to suggest is perhaps similar to what Simpson et al. (2004, p. 485) called ‘*people with the “right” personality and qualities and who were regarded as trainable.*’

This perception of the participants, perhaps, vaguely implies that while they talked about experience and training as different IHFs, they seem to mix them up, or at least the outcomes they generate for their businesses.

To sum up, participants believed that like knowledge (in other words “*knowing*”) and (previous) relevant experience, on-the-job training is a necessary condition for business success in this sector. Their perceptions about training are in contrast to what Simpson et al. have found in their study of SME owners in Sheffield. They felt: ‘*Training was emphasised less than prior knowledge and experience*’ (Simpson et al., 2004, p. 487) by their participants, whereas this seems to not be the case for the participants in the current research. However, the current study extends their study and perhaps contributes to the gap they identified: ‘*we expect further interviews in this general category to settle the issue of whether or not training is a critical success factor for these companies.*

This category may have to be refined in some way after more data have been collected and analysed (Simpson et al., 2004, p. 487). The current study has collected and analysed, more data and it seemed that these participants (43 compared with 14 in their study) felt that training is a critical success factor for these businesses.

In addition, on-the-job training is not perceived as an end. It is considered a process that all employees go through so as to understand firm-specific principles, standards, and ways of doing business. These views match with what extant researchers have argued, i.e., internal training contributes to business success and helps both large (Hatch and Dyer, 2004) and small (Simpson et al., 2004) firms to remain competitive. Moreover, employees who are trained on-the-job are called “resources” in this research because they are perceived to perform better and make fewer mistakes than those who were not trained on-the-job (Hatch and Dyer, 2004 ; Mahsud et al., 2011), resulting in saving time and money for their employers as well as making their colleagues more productive. Furthermore, similar to relationships, knowledge, and experience, on-the-job training is linked to personal confidence.

As such, these findings are congruent with both mainstream strategic entrepreneurship (Hatch and Dyer, 2004) and ethnic minority small business literatures (Basu and Goswami, 1999 ; Simpson et al., 2004). However, the participants tend to understand the value of training within the limited domain of their own businesses and/or other similar businesses that operate within their particular collectivist cultural context. The last section in this chapter discusses the perceived role of education.

8.4 Education

In contrast to knowledge, experience, and training, participants expressed mixed feelings about the role of education. Almost half of them considered education as an important factor, whereas rest of them believed that highly educated people are not required in their sector. This section highlights these two divergent views.

Those who believed that education plays a role said so due to its perceived positive effects on individuals' performance: "*education definitely has a knock-on effect on whatever you do*" (Amjad, retail manager); "*if somebody is more educated they will learn things quickly than somebody less educated*" (Basit, retail founder); "*educated people... understand things better than uneducated persons*" (Zahid, retail manager); and they "*explain things*" to others "*more clearly*" (Umar, retail founder).

Their views lead to the belief that educated people, perhaps, have two interrelated advantages over less educated people. First, due to their bilingualism skills, educated people "*communicate with customers in a nice way and according to the customers' level*" (Tasleem, retail manager); and they "*use appropriate language and specific terms which might be more effective in communicating with other people than less educated people [do]*" (Rajab, retail founder). Second, they can read other people better and deal with them accordingly, and they, therefore, respect others and earn respect in return. These two not-so-discrete perceptions, which are closely linked to customer service (cf. Chapter 6), were epitomized by Aziz:

... education makes a difference when it comes to communication with customers... if you are educated you will be in a better position to convey your message... you will be able to speak English as well as Asian languages like Urdu... they give respect to others and others like to give [them] respect... (Aziz, retail founder)

Apart from being perceived as good communicators, a necessary skill that is seemingly required in customer service, it was believed: "*educated people do not have temper and ego problems*", another key skill in customer service, while "*less educated people tend to take things personal and get into heated arguments with the customers*" (Saima, retail manager). Participants considered having ego, the opposite of having patience, is problematic as seen in Chapter 6. In addition to being good commentators and having no ego problems, more

educated people were perceived to have more confidence in themselves than less educated people:

... you need to deal with a person you never seen before... you should not be shy in a retail environment and I believe education can help to build that confidence up... (Didar, retail founder)

Many other participants also highlighted how education is related to having confidence: *"if you're more educated... you will be more confident in what you do"* (Saima, retail manager); and *"Education... helps you to communicate clearly... it gives you an understanding and increases your own confidence"* Shazia (retail founder). It can be inferred from the above quotes that, in contrast to educated people, un- or less-educated people lack self-confidence and thus, they are perceived to be poor communicators. Zubia's (retail manager) take is an exemplar out of many: *"less educated people have less confidence in them so they cannot talk to other people effectively."*

In short, those who considered education important linked it to the success of their businesses: *"[education] helps us to make our business successful"* (Basit, retail founder). Jafar exemplified how educated (or more educated) people adopt a more critical approach to monetary aspects and are more aware of the financial standing of the business:

... educated people can calculate very quickly that whatever they sell to a customer even if a penniless, then how much they will be losing or if they sell any more how much they will be gaining from a number of customers, whereas uneducated people might just say okay one penniless doesn't matter, but if you sell five penniless to hundreds of customers it can make a big difference... educated people can count every penny because they understand pennies make pounds. (Jafar, retail founder)

Those who disagreed with the idea that education plays a direct role in the success of these businesses said: *"I don't think education is to do anything with*

our business, the best example is my mother running the business successfully without having any education” (Nasreen, retail owner); *“we don’t need highly qualified members of staff to do their work”* (Jamal, retail manager); and *“I don’t think education plays a great role in this business”* (Rajab, retail founder). Their argument is, perhaps, predominantly based on the perception that the shared ethnic culture replaces any deficiencies in education. Moreover, the shared culture between this business community and most of their customers, perhaps, induces their business activities. Thus, these culture-induced enterprises, perhaps, do not need Western education as epitomized by Usman (retail founder): *“most of our customers are Asian customers and you do not need a degree to serve them because you speak the same language and have similar understanding.”* Aziz justified his belief that high level of education is not required in their sector:

... all you need to be successful is having ideas and think in advance, which you can do even if you are not educated... you really do not need to have education or degrees. (Aziz, retail manager)

Like Nasreen, Usman, and Aziz, many other participants drew on their own experiences to downplay the role of education in their businesses. For example, Rajab (retail founder) and his wife have been running their Asian garments shop successfully for more than a decade, yet they *“both are not highly educated”* but they *“know how to deal with... customers.”* Likewise, Babar (retail manager) articulated that what is required is *“experience, skills... how to do things”*, therefore, *“you don’t need high end of education to become a retail environment expert”* in this sector. Nasreen elaborated:

... I have an honours bachelor degree and my mother has no qualifications, but when it comes to running this business, my mother performs a lot better than me... education does not play any role in our company... (Nasreen, retail owner)

Thus, a group of the participants discounted the role of education, providing a counter argument to the other group of participants (those who valued

education). In addition, the views presented above seem to be in contrast to what Thompson et al. (2010) have found that British Pakistani university graduate men play an important role in their small businesses. That said, a minority of those who discounted the role of education also believed that the role of education should be judged in the context of the task, because it “*really depends on the type of work they do*” (Shakoor, wholesale owner). There was occasional acknowledgment that “*education is... important for the office-based staff*” (Irem, retail manager). Therefore, it may be argued that the reason education was not regarded as highly as that of customer service skills, relationships, knowledge, experience, and training, is perhaps because most of the work in these businesses is of a manual nature. Kuldeep’s statement typically clarifies this point:

... we don't tend to have many qualified people within our business apart from the office staff, most of our staff are in sales and in the warehouse side, we have very few in the offices. (Kuldeep, retail and wholesale owner)

In sum, participants’ views about the role of education in their businesses were split. About half of them valued education highly because they perceived educated staff to be (more) self-confident, effective communicators, and role models for their colleagues. These views are supported by Millan et al. (2014, p. 627): ‘*the performance of an entrepreneur is not only affected positively by her own education level but also by the education level of*’ others in the organisation. In addition, in line with some other extant research (Basu and Goswami, 1999 ; Clark et al., 2015), these participants believed that education makes people more productive and helps to improve analytical and managerial skills.

However, about half of the participants stated that education is not required in their sector primarily because they predominantly serve a customer base that belongs to the same ethnic culture as they themselves. This conception perhaps implies that the ethnic cultural resources replace education or play a greater role than education. A minority of these participants, however, did not

reject the role of education entirely. They associated the role of education with paperwork or office based work, which is rare in this sector.

Based on the findings, it can be said that the owners and/or managers in this sector understand the role of formal (Western style) education differently than extant scholarship. For example, Simoes et al. (2016, p. 790) argued: highly educated people '*might have greater managerial ability, a critical precondition to succeed in self-employment occupations.*' There may be two reasons for the discrepancy vis-à-vis the role of education between the findings in this study and those of Simoes et al.'s. Firstly, informality is a norm in these businesses not only in employee-employer relationships but also in other matters, such as customer service, customer relationships, and the general way of operating these businesses. This widespread informality perhaps does not require highly educated people to run, or to work in, these businesses. Secondly, and perhaps more importantly, most of the work in these businesses is of a manual nature, which requires skills, knowledge, experience, training, and informal education more than formal academic qualifications.

All the above factors, perhaps, ought to be developed in the context of their ethnic culture and not through formal education or other ways of conducting business from a Westernised context. Thus, the role of education seems to be highly contextual and is, perhaps, not universally related to business success in small firms. According to Blanchflower (2004), education is related to self-employment in the USA but not in Europe. Thompson et al. (2010) argue that the relationship between education and entrepreneurship varies across ethnicities in the UK.

In addition to inter-participant contradictions, one participant showed a possible intra-participant contradiction. Nasreen (retail owner) valued educated people highly in knowledge sharing, which was considered to be important by a large majority of the participants in the success of their businesses. She felt: educated people are "*able to explain things to employees [colleagues] in detail, in a better way than somebody less educated*" (already mentioned). But she then said: "*I don't think education is to do anything with our business, the best*

example is my mother running the business successfully without having any education” (also already mentioned). She, however, did not provide any explanation for these ostensible contradictions. Therefore, this study cannot explain them further but only acknowledges them.

8.5 Chapter summary

In answering the research question ‘*how do intangible human factors contribute to business success in ethnic minority small businesses?*’, this chapter highlighted the roles of knowledge, experience, training, and education for the success of the sample businesses.

Knowledge is widely accepted as a valuable intangible resource across various sectors and types of organisations/businesses (Riege, 2005 ; Machlup, 2014 ; Wang and Wang, 2012 ; Denicolai et al., 2014 ; Zhou and Li, 2012). In the current study too, participants seemed to value knowledge highly but they kept referring to “*knowing*”, the practical side of hands-on knowledge, specifically relating to products and customers. In contrast to the broader view of knowledge as a function of prior beliefs and experiences matching with current beliefs and experiences (Ipe, 2003 ; Wang and Wang, 2012), these participants tend to narrowly focus on knowing the attributes of what they sell and the preferences, tastes, and needs of who they sell to. This knowing seems to define their knowledge base.

However, in line with existing research (e.g., Ipe, 2003 ; Wang and Wang, 2012 ; Li et al., 2006 ; Lee, 2001), they seem to believe that knowledge is enhanced by sharing it and that it is the shared knowledge that becomes an organisational level resource. Thus, on the one hand, this study extends existing arguments surrounding the concept of knowledge and knowledge sharing, but on the other hand, it uncovers some nuances about which little is written hitherto in the extant literature. For example, in line with the conventional wisdom (Ipe, 2003 ; Nahapiet and Ghoshal, 1998 ; Wang and Noe, 2010), participants felt that education and interpersonal relationships act as drivers for knowledge sharing, while ethnic culture and the caste system were perceived as impediments. They

consider ethnic culture as an inhibiting factor, perhaps, typically because of its perceived competitive and status-driven nature, which seemingly creates interpersonal jealousy even between people who belong to the same family and are living in the same house. It has been argued elsewhere too that national cultures (negatively) affect knowledge sharing (Zhang et al., 2014) due to competitiveness (Ardichvili et al., 2006) and competitiveness creates fear of losing power that comes with knowledge (Hsu and Chang, 2014). However, to my knowledge, research does not exist explicating whether or not ethnic cultures in ethnic minority organisations affect knowledge sharing. Similar to the culture, participants linked the caste system to interpersonal class rivalry, leading to the prevention of knowledge sharing.

Another nuance, which is related to knowledge sharing, is the role of religion. Most of them, specifically Muslims, appreciated the role of religion in knowledge sharing. However, a minority of the participants felt that the propensity to share, or not to share, knowledge is a personal matter that is related to everyday material matters and not spiritual affairs per se. That said, some limitations are acknowledged. I expected to find a good mixture of participants from different religious backgrounds, but very few were found from backgrounds other than Islam, perhaps, because Pakistani Muslims dominate ethnic minority communities in Bradford and the surrounding towns that were selected in this case study (Burlet and Reid, 1998 ; Nomis, 2013).

With reference to the role of previous relevant experience, extant scholarship argues: it *'is almost consensual in finding a positive impact of this factor [experience] on the entry into self-employment'* (Simoes et al., 2016, p. 791). In the current study, the majority of the participants believed that what they are doing was as a consequence of what they had done in the past. Their past experience in the same field, perhaps, brought them two advantages.

First, as owners/entrepreneurs, they perceived that it helped to understand the business conditions, become productive, and develop self-confidence, which ostensibly resulted in their superior performance and contributed to the success of their businesses. Second, as employers they believed that employees with

prior relevant experience save a great deal of time and money for their employers, because they work independently, make fewer mistakes, and perform tasks faster than those who lack experience.

Many of them also considered previous general experience to be of some value, as it too was linked to making people better performers and saving time and money. However, they did not value it as highly as they did relevant experience. They had similar perceptions about employees' experience and referred to previously experienced employees as "*assets*." The employee-managers expressed similar views as those of the owner-managers. Finally, a sharp contradiction came from some participants who rejected the value of relevant experience. They seemed to link previous experience to inertia to learning company-specific skills due to overconfidence. Some of them also said that just having any experience means nothing in their sector.

With regard to training, participants referred to trained people as "*resources*." They regarded on-the-job training highly and felt that it is through this process of training that they develop their staff to understand firm-specific rules, principals, standards, and ways of operating the business as no two companies conduct their businesses in the same way (Kor and Mesko, 2013). Similar to experience, participants stated that trained people have more confidence and are more productive, because they learn from their own mistakes and make fewer mistakes, leading to the decreased costs of performing tasks (Mahsud et al., 2011 ; Hatch and Dyer, 2004).

There was ambivalence in the data with respect to the role and value of education, perhaps, reflecting the existing conflicting arguments in the literature (Simoes et al., 2016) and the contextual nature of education among ethnic groups (Thompson et al., 2010). Participants' perceptions were almost equally divided on whether or not education is important in their sector. Those who felt that education is important claimed that it helps in communication. They believed that educated people are bilingual, express their viewpoints more clearly, understand other people's viewpoints better, respect others and in return get respected, and have greater self-confidence than less educated

people. Moreover, they believed that educated people perform their duties faster than less educated people, they are more productive (Millan et al., 2014), and they contribute more to the success of the businesses than less educated people (Rauch et al., 2005 ; Unger et al., 2011).

Those who rejected the role of education seemed to implicitly believe that external sources (Western education) of education do not influence the way they run their businesses. They felt that since they themselves belong to the same ethnic cultural background as that of most of their customers, they do not need Western education to run these businesses, which implies that in the context of this business community, education may be relevant if it is rooted in the ethnic culture. That said, some participants linked the role of education to administrative tasks, or paperwork, or critical management skills (Simoes et al., 2016), which are rare compared with the amount of manual work in these businesses.

In addition to education, they did not value external sources of knowledge, experience, and training the way they did internal sources. The findings concluded by Simpson et al. (2004) are both similar and dissimilar to what has been found in this study. The similarity is: '*External sources of training and education are not valued in... SMEs*' (Simpson et al., 2004, p. 486). The dissimilarity is, participants in the current study seem to feel that the skills that can be gained from external sources of education, such as attending college or university courses in the UK, are not required in their businesses. What seem to be highly valued are the skills, experiences, and training that are gained within the same sector and cultural frame of reference.

In cross-comparing, the usefulness of the factors that were discussed in this chapter, strong links were found between them. Particularly, having appropriate knowledge about products and customers (to some extent suppliers too), having previous relevant experience, being trained on-the-job, and having education were all associated with developing confidence. Confidence, in turn, was linked to performing tasks faster and making fewer mistakes. Thus, all of these IHFs were linked to individual productivity, in addition to making

colleagues, sub- and/or super-ordinates productive. Furthermore, the value of knowledge, experience, and training were described as: those having knowledge “*will definitely win the race*”; those having relevant experience were called “*assets*”; whereas people trained on-the-job were considered “*resources*.” That does not mean that they perceived the applicability of these IHFs in their sector homogenously. Some variations were found.

In comparing on-the-job training with experience and education, Kuldeep epitomised that it is on-the-job training only that is required due to the “*niche market*” his company operates in:

... on-the-job training is very important for the success of our business... we never employed anybody from outside who had experience in sales of different kinds, because our industry is very specific, it's a very niche market, it's a very specialised market where nobody can teach these skills in a University... we rely a lot on on-the-job training... (Kuldeep, retail and wholesale owner)

Shahid (retail and wholesale owner) also considered on-the-job training to be more important than experience and education: “*training is more important than academic qualifications... the key is training, on-the-job training, prior experience is always a bonus but on-the-job training is the key.*” Some participants even believed that previous relevant experience (if gained in a different company/context) and education (in its literal sense) are not required in these businesses due to the perceived “*niche market.*” Therefore, similar to extant scholarship, which argues that ethnic minority businesses tend to employ people who look like them and speak like them (Ram et al., 2001 ; Light et al., 1994), this chapter has shown that these entrepreneurs and managers tend to employ people who have experience and training like they themselves have.

Finally, this chapter has explored that the participants have judged the value of these IHFs within this particular sector and/or the overall ethnic cultural frame of reference. On the one hand, they seemed to recognise the managerial skills and confidence that are obtained from industry-specific knowledge, experience,

and training. On the other hand, they felt indifferent about the role of (formal) education, perhaps, because there is a mismatch between what they need and call education and the type of education that is delivered by the wider external environment in the UK. The specific phrases that they persistently used, explicitly and/or implicitly, indicate that they evaluate these IHFs according to their specific ethnic cultural frame of reference. The following are few examples²⁸ (the key phrases that are believed to point to their specific culture are in **bold** text):

*If I had previous experience **in this field** then I would not have gone through all the difficulties...* (Azmat, retail founder)

*... one of my colleagues who... had previous relevant experience **in the same field**...* (Irem, retail manager)

*... someone might have experience **in a grocery store**... that might not mean anything for us.* (Zahid, retail manager)

*I don't think education makes any difference **in this type of business*** (Usman, retail founder)

*Academic qualifications make no difference **in this type of business*** (Aziz, retail manager)

Therefore, while answering the research question this chapter contributes and extends the culturalist view of ethnic minority entrepreneurship/small business literature. The next chapter further discusses how culture and cultural manifestations affect the successful running of these businesses. The next chapter also discusses some other structural factors, which this study has come across and which also seem to shape the successful running of these businesses.

²⁸ Some of the statements are repeated here for clarity.

Chapter 9: Ethnic Culture and the Wider Economic and Political Environment

In pursuit of an answer to the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', I began presenting findings by defining what it means to be a successful business in Chapter 5. This was followed by a discussion in Chapters 6, 7, and 8 about the perceived value of various IHFs in the success of the sample businesses. In a way, the last three chapters provide an answer to the research question, because based on the perceptions of the participants these chapters demonstrated that various IHFs play critically important roles in the success of these businesses. It was also shown in these chapters that some of these factors seemingly play more important roles than others. The variation in the perceived roles of these factors was linked to the South Asian ethnic minority culture. More precisely, the participants in the current study seem to believe that their businesses predominantly operate within the framework of their ethnic culture, which they share with (most of) their customers, suppliers, and the workforce. This chapter further highlights the perceived role of ethnic culture (including religion), followed by an explication of the impact of competition and the last economic downturn on the success of these businesses. By doing so, this chapter contributes to the mixed embeddedness model, in addition to the culturalist view, of ethnic minority entrepreneurship/small business literature.

9.1 Ethnic culture

The role of ethnic culture has already been highlighted implicitly in the preceding chapters, but to some extent explicitly in chapter 8 in the context of knowledge sharing. However, the discussion so far remained on how the culture was felt to be playing a role in the perceived use and development of the IHFs. This section explores how the broader ethnic cultural aspects shape the way these businesses operate. Generally speaking, culture and religion are not discrete systems, because culture is comprised of '*those customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation*' (Guiso et al., 2006, p. 23). Values, or cultural values, are defined by Schwartz and Bilsky (1987, p. 550) as: '*The term values...*

[represents] conceptions of the desirable that influence the ways people select action and evaluate events.' In other words, cultural values represent perceptions of individuals, groups, or organisations which they use to guide and evaluate their own as well as others' actions to achieve desirable outcomes (Schwartz, 1999). While I recognize religion is a constituent of the overall culture, I explore culture and religion in this chapter separately in order to uncover the nuances that were found in the data.

9.1.1 Role of South Asian ethnic culture

Despite describing it as a negative factor in knowledge sharing, the South Asian ethnic culture was portrayed by participants as *"central to the success of"* their businesses (Mukhtar, retail and wholesale manager). Basit (retail founder) exemplified: *"my business will not be able to function without... Asian culture and cultural values being practiced."* They seemed to value culture highly, because of what they sell: *"we only specialize in Asian clothing, so it [Asian culture] is very much related to our own ethnic background so it adds value to our business"* (Ameen, retail founder). This shared cultural belongingness seemingly enables them to develop an intrinsic understanding of their market and then establish long-lasting relationships with customers, suppliers, and employees, which they perceive instrumental for the continuation and success of their businesses (cf. Chapters 6 and 7). The following excerpt is a typical one:

... it [the ethnic culture] impacts our business 100%, because we are culturally ethnic and our customers are also technically cultured, we understand and we know our market... that's why we have been successful... (Kuldeep, retail and wholesale owner)

While highlighting the importance of the dominant shared culture, they acknowledged that their customer base is not entirely homogeneous. There are sub-cultures within the South Asian umbrella culture in West Yorkshire. This cultural diversity, however small it may be, necessitates comprehending all these sub-cultures so that a wider understanding of customers' buying

behaviours could be developed and tailored services could be delivered. Zahid epitomized the culturally informed understanding of customers and its benefits:

... as a businessman, you need to know people from which culture spend more, like some Pakistani communities don't... want to spend the money, but other communities might be big spenders... they may be in minority, but they can be big spenders... I need to know which community... is more modernized and which community has more awareness about fashion. (Zahid, retail manager)

Although they do not seem to be using modern computer systems to store and analyse customer-level information/knowledge such as customers' buying behaviours and their culture like large retailers do (Kumar et al., 2006), it appears that they are not bereft of customer level information and the specific culture of the customers. It is perhaps due to their shared culture, as well as their prior experience of and knowledge about customers, that they are able to figure out '*which customer bought what product or which customer was more profitable and which customer was less profitable*' (Kumar et al., 2006, p. 277). By utilising such knowledge about the culture and the customers, these participants are, perhaps, able to unearth a customer heterogeneity that subsequently helps them to deploy customer-specific services or strategies that can contribute to their business success, they implied.

Understanding the ethnic culture and the sub-cultures perhaps also means having an awareness of the cultural festivals that this ethnic community has held on to in their new homeland and exhibited with zeal. These festivals include (but not limited to) "*Diwali*", "*Raksha Bandhan*", "*the two Eids*", and "*Christmas*", which repeat every year. "*Weddings*", as important events were also highlighted by the participants. The importance of these festivals and events was underscored as: "*we need to respect their [customers'] culture*" and take practical steps "*to have products ready for them... [it] helps to make your customers happy as well as making your business successful*" (Babar, retail manager). Babar further clarified: "*our festivals are part of our culture... it makes a difference... it helps the business.*" Kumar (retail manager) estimated:

“90% of our business comes from Asian cultural events and weddings, therefore, the Asian culture is very important for the success of our company.” Jasvinder (retail founder) added: *“Our Asian culture and cultural events have an impact on the success of our business, because whenever people celebrate a cultural event they have to give gifts to other people, relatives and friends and that makes them do more shopping from our business.”* The financial impact of the religio-cultural festivals on these businesses is typified by Shazia as:

... our full-year theme revolves around our Pakistani culture in terms of certain days such as... Chand Raat which is a special night... before Eid... we get a lot of buyers at that time then... on Haj occasion... people tend to buy gifts for people who have been to Haj, then the wedding season, which is a very big area for our business, so all these things contribute positively to the success of our business. (Shazia, retail Founder)

In light of the participants' opinions about the importance of cultural festivals and their celebrations, it may be suggested that the business environment in which they operate is perhaps very different from that of some other ethnic economies in the UK where culture is not believed to play a vital role (Vershina et al., 2011 ; Basu and Altinay, 2002). This vitality of the culture was encapsulated by Hasan (retail founder) as: *“if the Asian community is not around or if they don't buy cultural products from our shop then we will not be able to exist.”*

While data suggest that all ethnic cultural festivals and events have an influence on sales and thus, on the success of these firms, some events, such as *“weddings”*, are believed to play a far greater role than others. This is because: *“generally people buy high-value items during wedding season”* (Azmat, retail founder); and *“whenever there is a festival like... weddings these ladies tend to buy more from us”* (Musa, retail founder). A *“wedding”* function in the South Asian community is a special event not for the sake of it, but for what the family exhibits to the rest of the world through a set of actions, as exemplified by Mansoor:

... in the Asian weddings, culture is heavily involved for various reasons such as some people buy a lot of gold in their weddings just to prove... how rich they are or how more rich they are compared to others... when a family brings a daughter in law in their family and if they buy a lot of gold for her that is considered as an indication of them being serious in the relationship as they want to stick to the relationship in the long-term, the third reason is when a family buys a lot of gold for their daughter on her wedding that means how much they love her... (Mansoor, retail and wholesale owner)

Thus, culture is, perhaps, not an external object. This community seems to internalize their ethnic culture and allow culture to shape kinship in the long-term. In other words, cultural festivals, or ritualised occasions, act as catalysts in the maintenance or continuation of relationships even between family members. This sub-theme is, perhaps, related to other themes discussed hitherto. For example, culture as a common denominator was perceived to help in providing good customer service and maintaining warm relationships with customers and suppliers. Similarly, it was felt that the utility of knowledge, experience, training, and education were judged by the participants in relation to their ethnic culture (cf. Chapter 8). This perceived link is, perhaps, further reinforced based on participants' beliefs that failing to adapt their behaviour according to the culture of the customers or being ignorant of the culture of the customers can potentially lead to business failure: *"if we try to be too much Westernised then customers will not be able to relate our business with the culture"* (Saima, retail manager). Qamar, like many others, echoed a similar viewpoint:

... it is very important for us to... build our business around these traditions and cultural values, it is also important for us to go back and study the traditional clothing and their origins in order to understand the culture and cultural norms. (Qamar, retail and wholesale owner)

In sum, while highlighting the importance of ethnic culture for the success of their businesses, many participants said that their businesses would cease to exist if the culture and its manifestations such as “*Eid*”, “*Diwali*”, “*Raksha Bandhan*”, and “*weddings*” are not practiced in the way they have been until now (at the time of data collection for this study). They regarded their ethnic culture highly perhaps because, to a great extent, they are a homogeneous set of business people serving a predominantly (but not entirely) homogeneous customer group, with suppliers and staff all coming from similar backgrounds. Therefore, from many aspects, their shared culture seems to contribute to the success and continuation of their businesses. This is, perhaps, why their ethnic culture is found to be related to all other themes that emerged and have been discussed in this study. However, this argument is in contrast to Polish ethnic minority entrepreneurship in Leicester (Vershina et al., 2011) and Turkish and Turkish Cypriot ethnic minority entrepreneurship in London (Basu and Altinay, 2002), in which the ethnic culture was found to play next to no role for the success of coethnic business.

That said, there are interesting contradictions in the data. If ethnic culture meant anything to this business community, it was considered a strong contributing factor for the success²⁹ of their businesses. Nevertheless, a vast majority of them said that ethnic culture, including the caste system, was an impediment in knowledge sharing. The process of knowledge sharing itself was considered an important factor, though there was no consensus about the drivers of knowledge sharing. This chapter has shown a contradictory view in relation to the relevance of ethnic culture for the success of these businesses. For example, Hasan (retail founder), Saima (retail manager), and Kuldeep (retail and wholesale owner) said that Asian people do not share knowledge with each other due to cultural competitiveness (cf. Chapter 8), which creates fear and uncertainty and the threat of losing the power and prestige that comes with knowledge. In this chapter, however, they (along with many other participants) maintained that their businesses would not exist if the culture and its

²⁹ They defined success as making a net profit, but more fundamentally the continuation of their business activities, even if it meant meeting breakeven (but not a financial loss) as discussed in Chapter 5, was also considered as business success.

manifestations are stopped being practiced (or not being practiced in the way they have been until now).

Having mentioned these apparent contradictions in the data, it can be argued that while culture is supposed to remain fairly unchanged amongst a group of people over a long period of time (Guiso et al., 2006), it perhaps does not remain static and thus is not a fixed concept (Cui and Kelly, 2013 ; Santoro, 2008 ; Chennells, 2009). Moreover, culture is not independent of the context of a particular situation a person finds her/himself in. According to Schwartz (1999, p. 27), a *'person is viewed as an autonomous, bounded entity who finds meaning in his or her own uniqueness, who seeks to express his or her own internal attributes (preferences, traits, feelings, motives).'* He further argues that *'individuals [are] independently pursuing their own ideas and intellectual directions'* (Schwartz, 1999, p. 27) and that *'Individual value priorities are a product both of shared culture and of unique personal experience... [moreover] within cultural groups there is individual variation in value priorities due to the unique experiences and personalities of different individuals'* (Schwartz, 1999, pp. 25-26). Thus, it is possible that different people not only have contradictory views in relation to each other, but at times the same person can contradict her/himself, due to their unique situations or in pursuit of their unique goals. I will now discuss how religion (a constituent of the overall ethnic culture) was seen by the participants in respect of their business operations and success.

9.1.2 Role of religion

In contrast to the perception that religion facilitates knowledge sharing (cf. Chapter 8), participants expressed mixed, but contradictory, views about the role of religion in other affairs of their businesses. Those who said that religion contributes to business success underpinned their belief in two interlinked reasons: first, it is perceived to provide ethical foundations; and second, it seemingly encourages them to respect customers' rights. These are discussed next with the help of exemplary quotes from the data.

With regard to ethical foundations, the participants stated: *"religion provides*

rules and regulations how to do business” (Tariq, retail founder). They collectively felt: *“be fair, just and honest”, “act in an honest way” and “not to cheat and not to lie.”* More specifically, they seemed to espouse a high morale-ground based on fairness, which was defined as: *“in our belief system you can make only that much profit out of something and you cannot exploit your customers even if they need something desperately”* (Jamal, retail founder); and *“we try to sell with honesty and we also look at profit margins and we make only reasonable profit, we're not here to rip off people”* (Shazia, retail owner). While they claimed that they exhibit socially acceptable business behaviours due to their deep beliefs of predetermined destiny and inevitable accountability and aim to make a reasonable profit, they occasionally acknowledged that by being honest and truthful sometimes they *“take a loss”*, as exemplified by Rukhsana:

... I'm very careful about this [being honest] because end of the day I am a human... I have to die and I will be held accountable for my actions and according to my conscience, I sometimes take a loss to myself and I do not try to rip off customers... end of the day Allah gives sustenance...
(Rukhsana, retail founder)

However, Rukhsana also acknowledged that her short-term loss is actually a long-term gain in disguise: *“if the customer goes happy from my shop they will come back.”* Many other participants also acknowledged that their ethical business practices materialise in disguised instrumental benefits: *“Islam teaches us to act in an honest way... I don't cheat my customers... that makes my character good... that's only reason customers become repeat customers”* (Arif, retail founder). Thus, creating repeat business is recurring here again as an overall aim (discussed in previous chapters) through employing ethnic business practices that emanate from religious righteousness. In addition, employing righteous conduct manifests itself in *“confidence and trust”* building in *“customers' eyes”*, which itself is believed to be creating repeat business:

... we follow the way of our Prophet peace be upon him and this is record of our shop that when somebody [is] after two meters [of fabric] and when they go home and check, it will be definitely more than two

meters... that develops the confidence and trust in our customers' eyes about our business and that helps our business. (Jafar, retail founder)

Besides religion shaping the way they care about customers, which seemingly leads to worldly gains even if not explicitly intended, participants believed that their religion makes them recognize and respect the rights of customers over their businesses. For instance, Shazia (retail business owner) felt that “consumer laws” in the UK are similar to the “Islamic laws.” She explained: “when you sell to somebody you will sell with honesty... if there is something generally wrong... then we will be more than happy to take that item back and refund the customer.” However, they did not believe every business follows this path of religious piety. For example, Akhtar believed not all businesses employ religious value systems the way he and Shazia do:

... there are a lot of businesses who do not exchange or who do not give a refund, but we do both... because the Prophet peace be upon him said if a customer buys anything from you and afterwards if they don't like it, then you should give their money back irrespective of the item being defective or not defective... (Akhtar, retail founder)

He then exemplified how employing religious righteousness resulted in reduced complaints and increased repeat business:

I started doing it [refunds and exchanges], I received less complaints from my customers and those customers became more and more repeat customers... I told the saying of the Prophet peace be upon him to the... guy next door and he also started giving refunds and exchanges and... he started receiving more customers and less complaints... (Akhtar, retail founder)

That being said, some participants (a minority though) discounted the role of religion as a facilitator in business success: “I don't think religion has anything to do with the way I run this business” (Azmat, retail founder); “we keep neutral religious system and religion does not get involved within our business”

(Usman, retail founder); and “*we do not follow any type of belief system in our business*” (Tasleem, retail manager). Three reasons emerged from data as to why they consider religion irrelevant: first, it is a personal matter; second, the presence of a multifaith customer base, no matter however small it may be, demands to keep a neutral belief system; and third, religion is incompatible with the prevailing fashion.

Those who felt that religion is a personal matter argued: “*religion is more a personal thing... we never tended to promote a particular religion among our customers or our members of staff*” (Qamar, retail and wholesale owner); “*we do not let religion get involved in our business because religion is a personal matter*” (Jasvinder, retail founder); and “*religion does not affect our business because it's what you are as an individual*” (Rubi, retail and wholesale owner).

Those who cited the presence of multifaith communities as a reason of keeping a neutral belief system in their businesses, stated: “*we keep it [religion] neutral because we serve people from various religions*” (Kumar, retail manager); and “*we have people as customers from all faiths and all religions*” (Usman, retail founder). Moreover, while participants described that a vast majority of their customers come from the South Asian background, there was a limited acknowledgment that some multiculturalism and multifaithism exist among their customers, which makes the role of religion irrelevant in these businesses, Adil (retail founder) exemplified. The multiculturalism does not seem to be limited to the customer base only, but also to the pool of the workforce. Ravinder epitomised:

Religion does not make any difference in our organisation because we are a multicultural business... we have certain people working in here, we have Muslims, Sikhs and Hindus working, and we also have English people working here, so all religions are just one for us... (Ravinder, retail and wholesale owner)

Shahid (retail and wholesale owner) agreed with the above view: “*people [with] multicultural and multifaith [orientation] are working for us from various countries*

and we never let our belief system come in the middle.”

Finally, some participants felt that what they are doing is incompatible with their religion, hence they said they keep religion away from their businesses. For example, Tasleem (retail manager) maintained: *“in this type of business religion does not play any role because this is fashion business.”* Aziz (retail founder) agreed: *“in my business religion has no part to play because its fashion business and fashion does not go with religion.”* Basit’s statement is a typical one:

... I think religion does not really play a part in my business because my business is to deal with fashion and fashion has no relation with religion and also it's not necessarily religious people come to our shop, generally people who shop in our shop are people who are in fashion... (Basit, retail founder)

In sum, most participants felt that religion plays an important role in their businesses. In line with past research (Noland, 2005 ; Barro and McCleary, 2003), these participants maintained that their religion teaches them basic principles of high moral conduct. They do not apply these rules in their businesses only, but this is how they live or want to live their lives, they claimed. Some of them also claimed that by applying religious ethics in business practices, they earn a good reputation and their customers develop confidence in them and in their businesses that, in turn, seems to result in repeat business.

Findings in this chapter also suggest that trust is an outcome of the practice of religious ethical values, which seems to have a link with good customer service and relationships (Chapters 6 and 7). In other words, applying religious values in business was felt to be related to trust and then to customer satisfaction which, in turn, is believed to create customer loyalty and repeat business (Doney and Cannon, 1997 ; Ranaweera and Prabhu, 2003b).

Participants throughout this study emphasized on repeat business as a crucially important factor for the success of their businesses. In particular, in Chapters 6,

7, and 8 it was indicated that good customer service, social relationships with customer, knowledge or knowing (mostly products and customers), experience, training, and education are linked to repeat business. This chapter reveals that religion has a similar effect and contributes to business success. These findings are in contrast to Basu and Goswami (1999), who did not find religion (including Hinduism, Sikhism, Islam, Jainism, and Christianity) to be related to business success in their research of small businesses owned by Indian, Pakistani, Bangladeshi, and African immigrants of Indian origin in the UK.

Within this study itself, the perception of religion being related to business success was not entirely a homogenous view among participants. Some of them stated that religion is a personal matter and implied that it should stay between God and the person himself/herself only. These views are somewhat similar to what Joly (2017) and Altinay (2008) have argued respectively. Others felt that religion was inconsistent with an environment of multiculturalism and/or multifaithism in which they operate. Yet some of them believed that religion was incompatible with fashion. This group of participants thus wished to separate religion from business, because they feared that by exposing their religious beliefs to others (such as staff, colleagues, and customers) they might risk offending them.

In addition, another variation was also found in the data based on religious background. Those who considered religion as having an influence on their businesses were all Muslims, but not all Muslims in the sample had this view. Those who considered religion as having no effect on their businesses happened to be from mixed faiths. Does that mean then, the relationship between religious beliefs and business outcomes is stronger in some religions than in others? Barro and McCleary (2003, p. 777) provide a partial answer:

... economic performance depends on the underlying religious doctrine. For example, hell represents a final state in Christianity and Islam but is only a temporary setback along the road to enlightenment in Hinduism and Buddhism. Given these doctrinal differences, we would expect belief in hell to matter less for economic outcomes among Hindus and

Buddhists than among Christians or Muslims.

Barro and McCleary's assertion that 'hell' being perceived differently between Abrahamic and non-Abrahamic religions may be treated similar to the belief in predestined destiny in this study.

There are two weaknesses in this case study with respect to the perceived role of religion. First, within the already small sample, only one participant was a Hindu, four were Sikhs, the remaining 38 were Muslims, and no Christian participant was involved. Therefore, any claim based on such a small sample is difficult to justify. Second, I did not specifically ask participants how strictly they practice their religion. Therefore, it is not vividly known whether or not they keep religion and business separate because many of them indicated that they want to live by the rules set out by their religion, while many others indicated that they do not follow any religious beliefs at work. The next section explores how external economic environmental factors affect business success in this sector.

9.2 Competitive market environment

The last sub-theme in this chapter, also in this thesis, explores how two external economic and structural factors impact the operations of these businesses: market competition; and the last economic downturn. It also explores various strategies that are adopted by this business community to make success sustainable and to mitigate the effects of these factors.

9.2.1 The impact of competition

Participants in this study considered competition as an impeding phenomenon for the success of their businesses. Three issues emerged from the interview data that create, or contribute to create/intensify, competition: saturation of similar businesses in their sector; the rapid expansion of the Bazaars in Bradford, the core of the sample geographic area; and the perceived ineffectiveness of the local government in enforcing competition laws. These issues are explored below in turn.

According to Langston et al. (1997, p. 79), the concept of '*retail saturation*' occurs '*in situations where further retail expansion would prove unviable, as a result of overcapacity on the supply side effectively spreading available consumer demand too thinly.*' Participants in this study understood retail saturation along similar lines: "*so many businesses dealing in the same products*" (Adil, retail founder). They perceived, "*Bradford is a very saturated market*" (Mubashar, retail owner), because "*Along this road alone, there are about six retail shops which sell similar products*" (Nasreen, retail owner). For them the degree of competition is determined by the number of similar businesses in a place in a given point in time: "*if you look back at 15 years, there used to be less stores around, like small corner shops but now if you look around there are quite a lot of competition*" (Babar, retail manager). These findings are similar to the findings of Ram et al. (2002), whose participants reportedly faced a similar situation in the Asian restaurant market in Birmingham. They defined market saturation as: '*the point where any additional supplier renders the market unsustainable at existing levels of consumer demand*' (Ram et al., 2002, p. 27).

With regard to implications of the saturated market, in accordance with extant research (e.g., Parasuraman et al., 1991), participants blamed the saturated competition for the availability of cheaper products in the marketplace which they felt "*divides the customers across many businesses*" (Hasan, retail founder). Rukhsana provided a more elaborate exemplar on how the contemporary market saturation has divided customers compared to the distant past, the 1980s and 90s, for example:

... in those days there was almost no competition, because there were only... two or three shops selling clothing in Bradford and two shops only in this area [another town in West Yorkshire], but there are so many shops nowadays... that has divided customers. (Rukhsana, retail founder)

Zahid also blamed saturated competition for imitation and eroded quality of products and showed concern for the presumably well-established and highly

reputable businesses like his own:

... too many people are selling similar products although what they sell are imitated products... one particular design called Rimsha collection, we sell for £60 a suit and even other stores might be selling cheaper, £35 a suit, but their material is cheap because they are not original Rimsha collection, they sell copies and imitated products... (Zahid, retail manager)

The Bradford Bazaars seem to be a more recent addition to the already rife competition in this sector. The small market stalls within the Bazaars³⁰ sell a wide variety of Asian fashion wear similar to that being sold in Bradford's (and surrounding towns') established South Asian clothing shops. The majority of the participants in this study, who happen to own/manage established businesses, felt that the Bazaars are unnecessary and believed that they have created negative competition. Some even expressed frustration: *"these Bazaars in Bradford... are more than enough for the whole [of] England, but all of them are situated in Bradford"* (Adil, retail founder). Musa expressed his discontentment at the increased number of these Bazaars and their impact on his business:

... over the last seven years, our business performed well because there was only one Bazaar with about 100 to 120 shops, but now within the same distance there are four Bazaars, meaning there are over 400 businesses selling the same suits, which of course has taken our customers and our business [away]. (Musa, retail founder)

Besides dividing customers, those inside the Bazaars were also accused of price manipulation: *"they sell their items even on cost price and sometimes even less than that"* (Jafar, retail founder), because *"they work on peanuts... they work on 15 to 20% but they... get away with gas, electricity, and whatever else is there"* (Aslam, retail manager). Apart from having little to pay as overheads (presumably), those inside the Bazaars themselves acknowledged that they do not put any effort in, even if it costs nothing, to attract customers.

³⁰ Six participants (out of 43) operated from within the Bazaars.

Azmat (retail founder) one of the stall owners in one of the Bazaars confirmed: *"I do not do anything... to inform my customers... my shop is situated in a market area where there is a good foot flow... people come here inside the store and they see themselves... I never did anything to advertise my business."* This unfair competition, as felt by the participants other than those inside these Bazaars, is believed to be creating an unlevelled playing field:

... we need to pay business rates, utility bills, and rent, but these... Bazaars in Bradford... have nothing to pay... on top of that, they have the money coming into them from government in the form of benefits so they are not bothered, because they don't have any overheads to pay...
(Mubashar, retail owner)

Apart from the saturated market conditions and the Bradford Bazaars, participants blamed the local government for its perceived inability and/or unwillingness to control the competition or to (re)inforce the competition laws. They felt: *"The government and the council are not doing anything in controlling the overflow of these types of businesses"* (Musa, retail founder); and *"the government has closed its eyes on these issues"* (Tariq, retail founder). Some even doubted the government's ability: *"even if there are any regulations, these people can easily bypass these regulations somehow and find a loophole"* (Adil, retail founder). In a nutshell, the overall competitive environment is a much complained about topic by not only the established independent businesses, but also by those inside the Bazaars who seemed to face similar pressures and complained about competition, not particularly from within the Bazaars but more generally in this sector.

Blaming other factors for creating the competitive environment, these participants seem to be missing the possibility that their own actions are, perhaps, also blameable. For example, they historically focused on a niche market which, according to them, adheres to their cultural values strongly. However, this niche market operates in a land whose dominant (economic) culture is different from their ethnic culture. Therefore, they perhaps are not engaging the wider market base. In other words, these businesses might need

to diversify, in what they sell and to whom they sell to, in order to make their business success sustainable. With regard to the role of regulations, although it is acknowledged that *'the way in which regulations are applied by enforcement authorities... can have a considerable impact on competition in a given market'* (Conway et al., 2005, pp. 9-10), the UK is a liberal market economy where the government generally avoids intervening in market dynamics (Weingast, 1995 ; Conway et al., 2005), except in cases of unfair trading and unethical trading behaviours. Moreover, participants widely indicated in the previous chapters that they predominantly operate informally and typically outside the regulated sphere, but they wish regulations to be applied to ease off the pressures they face due to heightened competition.

Despite having faced cut-throat competition, mostly from within, participants mentioned that they experienced a steady growth pattern during the recent past years: *"Growth of my business during the last 10 years has been steady"* (Rukhsana, retail founder). A similar growth pattern was expected to continue in the near future: *"the growth potential of our business will remain the same... because there is so much competition"* (Nasreen, retail owner). However, while most of them experienced a steady growth pattern even in the face of the type of competition they described, a minority felt that saturated competition constrained a well-planned growth trajectory:

... we wanted to open the same business in three to four different locations but that has not been possible because we faced too much competition, too many small businesses opening, doing the same business... (Musa, retail founder)

Moreover, some of them acknowledged that their profit margins decreased, (e.g., from around *"35 - 40% to 25 - 30%"* (Ravinder, retail and wholesale founder)) during the recent past as a result of competition. Hence, the topic of competition was a psychologically sensitive issue for some of the participants. In the heat of the discussion one participant squarely challenged the much-mentioned notion of customer loyalty:

... without being pessimistic, I think most businesses need to be wary of... the competition and the saturation in Bradford and unfortunately they have to readjust their thinking in terms of profitability, because of the competition and nobody is faithful to anyone anymore, people just go to wherever they find a product cheaper and customers are not like what they used to be, we used to have regular customers back in the days, but there is no such thing nowadays... (Mubashar, retail owner)

While Mubashar's viewpoint was a lone perception, I deem appropriate to present it, because it indicates a contradiction with the widely talked about strategies, and their outcomes, of making customers loyal. His statement is, perhaps, also a manifestation that people change their perception based on the situation they are facing at a given point in time. The desperation that Mubashar has exhibited, perhaps, also indicates that while many participants largely presented a promising portrait of their business success and growth potential, some of them were unsure and presented the gloomy side typically due to infighting.

In sum, participants in this study felt that they are in a perpetual state of fierce competition. Those outside the Bradford Bazaars, who considered themselves as established businesses, maintained that they are suffering from lower profit margins and slower business growth than in the days where there used to be little competition. They held three factors responsible for creating and intensifying the competition: market saturation; the existence of Bradford Bazaars; and the perceived lack of, or inability of, the local government to (re)enforce regulations pertaining to the competition. However, those inside the Bazaars also made similar complaints, but did not mention competition emanating from within the Bazaars.

With regard to the possible effects of the rife competition, which largely seems to be the outcome of infighting between these businesses for the same customers, participants felt that too much competition has the potential of causing at least three negative implications: loss of business and family livelihood; increased unemployment; and lower profit margins. All of these have

the potential to negatively impact the overall economy and the already stretched social services in the UK.

In short, what came across consistently, though not very explicitly, in this case study is that, the participants talked about customer loyalty when discussing customer related topics, such as customer service and relationships. However, as the above section revealed, some of them seemed to believe that customers are opportunistic, when they discussed competition and other market-related dynamics. This perception is further highlighted in the following section.

9.2.2 The impact of the economic downturn

The effects of the credit crunch of 2007/08 that was followed by the economic downturn were still being felt by this business community some six plus years later. The damage that the economic downturn caused to these businesses was described as: *“the business since it was setup [28 years ago] has seen a steady growth pattern, it peaked in 2007 and after that the business has declined, and now we can see that these are the worst years, the worst decline in the history of this business”* (Mukhtar, retail and wholesale manager). While the effects of the economic downturn were felt in almost all facets of these businesses, participants were particularly concerned about three interrelated aspects, similar to the effects of competition: losing sales; earning lower profit margins; and decreased employment levels. These are discussed next in turn.

With regard to sales being affected by the economic downturn, Musa (retail founder) echoed what Mubashar (retail owner) implied in the previous section in reference to customers not being loyal anymore: *“after the credit crunch, customers’ buying power went down... people are now looking for cheap products and they are not willing to pay what they used to pay before credit crunch.”* Moreover, in line with extant scholarship (e.g., Parasuraman et al., 1991), participants believed that customers’ buying behaviours become unpredictable and erratic in a competitive market, specifically where the selling of non-essential items, such as clothing, is involved. Umar (retail founder) epitomised: *“customers are very careful about what they’re spending and*

because this [clothing] is a luxury item and it's the first item customers are trying to save money [on]." Shazia (retail founder) agreed with Umar and many others and articulated: *"people's spending power and the decisions they make are different than what it used to be, they have to decide whether they need to buy a suit or... other things which are important for them."* Thus, like competition, the topic of the economic downturn triggered participants to believe that customers behave in accordance with their own interests rather than remaining loyal to these businesses at the cost of their own benefits.

Besides the perception of decreased sales, the participants felt that the economic downturn has a knock-on effect on their profitability:

... profitability has been fine up until five years ago... during the last five years, we really struggled running this business, although we did not make any loss, but we did not make any excessive profits either, but we have been meeting our expenses... (Rajab, retail founder)

Whether they experienced decreased sales or profit margins, participants blamed the economic downturn and felt it decreased spending power of the customers that, perhaps, has made their buying patterns unpredictable. In addition, they maintained that the economic downturn made the already tight competition tighter, which in turn created a very competitive business environment. Jafar's experience is a typical one:

... we used to meet our expenses of the business as well as our household and we were happy with that, the business was going on well, but now things have changed... this is perhaps because... people cannot afford to buy clothing the way they used to before the economic recession... (Jafar, retail founder)

Along with recession, the government's austerity policies were also blamed for the decreased spending power of the customers, which apparently has a direct negative impact on sales and profitability:

... during the last couple of years when we are slowly going out of the recession it has impacted our business because I think the funds are dried out, the benefits are going down... everything has been reduced by the current coalition government and that's how people are now spending their money on basic essentials like food but not on clothing which is like more a luxury... (Kuldeep, retail and wholesale owner)

Apart from highlighting the potential impact of austerity and the tendency that consumers are concerned more about necessities than luxuries during economic downturns, Kuldeep points to another possible insight. South Asian ethnic people have a habit of savings, which purportedly helps during economic downturns:

... In the early years of the recession, it has no impact on our business... because it's Asian mentality saving, saving, saving and during the first 2 to 3 years of the recession their savings helped them to go through the recession... (Kuldeep, retail and wholesale owner)

There are some interesting contradictions in what has been discussed in this chapter thus far and in the previous chapters. In Chapters 6, 7, and 8 participants claimed that they read their customers, understand their needs, then provide tailored services and make products available to them according to their needs. Furthermore, they maintained that through these skills, they create a long-lasting bond with customers, suppliers, and the workforce, treat them like family, earn their trust, make them have faith in their businesses, leading to the ultimate goal of repeat business as a consequence of customer, supplier, and employee loyalty. In this chapter, in contrast, they seem to suggest that they cannot predict the behaviour of their customers. This discrepancy is, perhaps, the consequence of abnormal conditions created by the competition and the recession, not a reflection of the normal reality in this sector. According to Parasuraman et al. (1991), and Wägar et al. (2012), in highly competitive markets and during economic downturns customers' behaviours do not make a pattern, they rather behave erratically. Moreover, I assume, the unpredictability in customer behaviour in such situations may be because they are given too

much choice or they endure financial hardships, just like these small businesses did in the face of the economic downturn, thus, they act ad hoc to meet their own needs.

Therefore, it may be implied that extreme market competition and economic downturns are abnormal market situations filled with uncertainties including unpredictable customers' behaviours. For the current study, that perhaps means, while the participants claimed that they understand their customers, modify their own behaviours to find common ground and then provide a local form of tailored service, their customers' behaviours are perhaps less stable, more dynamic, and are highly contextual than they (these participants) might have assumed. Therefore, these participants indirectly said what Wägar et al. (2012, p. 152) have argued: *'current and past customer behavior cannot be used as a basis for prediction... customer patronage behavior as such is only temporarily stable... [because] consumers are highly sensitive to situational and contextual conditions.'*

Returning to the recession, like competition, it too is perceived to be affecting business growth. For example, Didar could not pursue his plan to expand his business by opening new branches. Instead, he had to close one of the two branches and his VAT registered limited company became a sole tradership. Subsequently, the size of employment in his company went from 17 employees plus himself to just himself, all because of the recession, he believes.

While Didar was the only participant who said that he had to scale back his business, he claimed (like all others did) that he never made a financial loss. The poorest achievement of his business was meeting breakeven. His current small-scale business is on the profit-making path once again, he claimed. In addition, Didar's account implied that recession has the potential to affect an entire local community through increased unemployment. Mukhtar (retail and wholesale manager) exemplified this point further: *"the employment went up at the same time when the business was growing, for example, we had 60 to 70 employees at one time, but now that has been reduced because of the decline in business."* However, some participants tried to make adjustments internally

and avoided making staff redundant:

... it has been hard... the last five years [of recession]... we might have employed new few part-time people, but any full-time we have not really employed... we tried to do shift work... if somebody has left full-time on their own way we have increased days of people who were not full-time previously and are trying to do like that so we're not going over budget either. (Khalida, retail owner)

In sum, participants in this study implied that the recession created a vicious circle for these businesses - the reduction in customers buying power forced businesses to decrease their employment levels and with increased unemployment people's spending power reduced even further. However, going forward, participants expressed varied viewpoints about the recession. Some of them thought the worst was over: *"we are expecting that we will start being profitable again... we will pick up hopefully during the next year"* (Hamid, retail manager). But others seemed to suggest the upturn had not yet happened: *"we are down to minimum staff[ing]"* (Babar, retail manager); and *"in 2007 and 2008, we used to [have] 10 members of staff but now the same business we are running with six members of staff"* (Zahid, retail manager). Zahid's account points to a possible contradiction in the data. For example, Khalida (retail owner) stated that her business did not lay employees off, or did not make redundancies, though employment levels decreased as they did not replace those who left on their own accord. Zahid, in contrast, said his employer had six employees on board in 2014 (when data was being collected), compared to 10 employees prior to the recession. However, he did not elaborate what happened to the four employees, i.e., they were laid off or made redundant or simply they left and were not replaced.

In addition to affecting customers and these businesses themselves, one participant believed that the recession had affected the way they used to deal with suppliers: *"the truth is, since the credit crunch started, we sometimes have to delay supplier payments which we never did before"* (Rajab, retail founder). What Rajab has said seems to contradict with what many participants have said

(cf. Chapter 7, relationships), i.e., they understand and respect suppliers' needs, and vice versa. This contradiction is perhaps related to the extraordinary conditions that were created by the heightened competition and the economic downturn. In any case, while this (holding back supplier payments) was not a widely held perception, the aim to mention this viewpoint is to highlight the diversified experiences that the participants expressed during the interviews.

In short, the two topics that are discussed so far in this chapter uncovered many interesting contradictions in the data that were not that clear in previous chapters. Overall, on the one hand, participants claimed that the heightened competition and the economic downturn affected almost all facets of their businesses including the way they relate their businesses to customers, suppliers, and the workforce. They complained about customer loyalty not being the same as they experienced in the past. But on the other hand, they continued to paint a picture of their businesses that suggests that they never made a loss. If that is the case, then what do they (seemingly) do to make their businesses not unprofitable?

9.2.3 Coping with the competition and the economic downturn

Analysis of the data revealed that these participants seemed to espouse three strategies to cope with competition and to mitigate the effects of the recession: through product differentiation; through price differentiation; and by being up-to-date with fashion trends. These are discussed below in turn.

In a generic and broad sense, Sharp and Dawes (2001, p. 743) offer an all-encompassing definition of differentiation: '*Differentiation exists when a firm's offering is preferred, on some buying occasions (or by some customers all of the time), over rival firms' offerings.*' According to them, product differentiation offers many benefits:

...it makes the product desirable, therefore you will make more sales and more profit... [it] makes the product unique, therefore price comparisons are difficult and you can get away with charging a higher price... [it]

means the offer is unique and highly valued, therefore demand will exceed supply and you can charge a higher price... [it] causes brand loyalty, therefore, marketing costs will be lower, because it is cheaper to sell to existing customers. (Sharp and Dawes, 2001, p. 740)

This leads to the question, how do participants in the current study view differentiation and its benefits? To provide a possible answer based on the data I begin exploring product differentiation, which was perhaps not valued for the sake of financial profit only, but was considered essential as much for survival as it was for success, according to Akhtar (retail founder). Moreover, as innovation is the backbone for survival and success in the mainstream competitive industries (Wang and Wang, 2012 ; Welbourne and Pardo-del-Val, 2009 ; Teece, 2010), product differentiation was valued as “*the way forward*” in this sector. Khalida (retail owner) felt that product innovation was a type of product differentiation and epitomised how her business strived to be different from others: “*we have introduced new products... [we] keep changing the appearance... I believe in innovation.*”

The word “*innovation*” is perhaps not understood by this business community the way it is by mainstream management scholarship. For example, according to Li and Atuahene-Gima (2001, p. 1124), ‘*an innovation refers to a new product that an organization has created for the market; it represents the commercialization of an invention, where invention is an act of insight.*’ For Ahuja and Morris Lampert (2001, pp. 523, 524) ‘*Invention refers to the development of a new idea or an act of creation; innovation refers to the commercializing of the invention... to the extent that without inventions there are no innovations.*’

Nevertheless, the word “*innovation*” in the current study rather means innovative adaptability (Mahsud et al., 2011). This implies that introducing a new product/product-line may not be new somewhere else or for somebody else, but it may well be for these small businesses, as manifested by Arif (retail founder): “*you need to stay ahead of the competition and the main thing you can do is by introducing new products.*” Thus, it is through this innovative

adaptability that involves making their “own designs”, their “own styles”, and their “own... winter colours as well as summer colours” that they “are trying to be different to what... competitors are” (Ravinder, retail and wholesale owner). Apart from introducing, discontinuing/reducing items that do not perform up to the mark were also considered effective strategies to cope with competition and the recession:

... I introduced cosmetics six months ago... I looked around in other shops over the last many months to know what they doing and I reduced some of the ready-made garments which were not doing good or which were selling by many shops and I introduced the new lines which were lacking in the market, that I think will give a boost to our business in the future. (Musa, retail founder)

In addition to getting inspiration from watching what competitors are doing, the espousal of innovative adaptability is also embraced from within: “our manager designs outfits for customers in-house... we send the designs to overseas suppliers in India and Pakistan and that's how our business is unique... this makes us different from our competitors” (Jamal, retail manager).

Besides “innovation” and/or innovative adaptability, participants said that “to cope with that [competition and recession]” they “have to introduce lot of new varieties and new products” (Adil, retail founder). Selling a wide variety of products was considered not only another way to combat competition or economic downturn, but also “to improve [the] overall business situation”, Adil said. As already hinted, their aim to sell a wide range of products is not to offset the pressure of competition and economic downturn only, but also to meet the long-term strategic goals of customer loyalty and customer retention. They seemed to do so through a combination of providing a service to their ethnic community and selling products according to the prevailing market demand, as exemplified by Tariq:

... we don't sell for-profit products only, we also sell products where profit margin is very minimum... because we want to provide a service for

the community... we want to maximize our sales... we want to increase our customer base. (Tariq, retail founder)

Thus, these findings perhaps lead to the belief that this business community do not value customer centricity only (cf. Chapter 6), but they consider product centricity to be important too. These findings are similar to what Shah et al. (2006) felt that modern organisations cannot ignore either customer centricity or product centricity. Gummesson (2008) favoured a balanced centricity, i.e., modern organisations ought to have a balance of their transaction oriented approaches and relationship oriented approaches so as to create value for customers which, according to Shah et al. (2006), in return creates value for the business.

As for price differentiation, as an approach to compete and survive, Aslam (retail manager) stated: *“our prices had to come down... we had to reduce our prices to match the market prices.”* Aslam experienced that their products sell better when they match the prices of the products that are sold within the smaller outlets inside the Bazaars. Thus, by price differentiation, these participants essentially meant reducing prices by either negotiating lower wholesale prices from their suppliers, which they claimed they pass on to their customers, or by copying bigger businesses and having promotional sales, or both. The former is epitomised by Rajab (retail founder) and Zubia (retail manager) respectively as: *“I negotiate with suppliers very hard, especially on prices of the products because I know what is available in the market and what prices others offer”* and *“if we get cheaper than them [competitors] then we can do better than them because then I can sell cheaper than our competitors.”* The latter was exemplified by Aziz:

... I do... a promotional sale on from time to time, such as right now I have a sale on to survive through the winter months, which are generally quiet, these promotions make my business success as they increase my sales... (Aziz, retail founder)

The point that reduction in the prices is a survivability strategy (mentioned earlier) is reinforced by the above quotes, because it typically does not lead to a profit-making regime. Rather, it is probably inevitable and is the last resort in difficult circumstances, such as the last economic downturn. According to Akhtar (retail founder): *“profitability before nine years ago was very good but now... to survive in this competition you need to reduce your profit margin... [otherwise] you will not be able to survive.”* Also, the reduction in prices, that leads to reduced profit margins, is, perhaps, the result of increased wholesale prices, probably due to fluctuations in global currency rates, and increased local competition. This problem is summarised by Musa:

... the wholesale prices are going up and the retail prices are going down so we had to decrease our profit margin, to cope with this problem [competition]... we have been changing... our price structures to meet customer demands. (Musa, retail founder)

Musa's statement points to the third strategy these participants tend to adopt to cope with competition and the economic downturn. That is, *“to meet customer demands”*, in other words, to remain up-to-date: *“you have to keep up with whatever there is in the time in fashion”* (Rubi, retail and wholesale owner); and *“if we manage to get stock according to fashion trends then we will grow more than our competitors”* (Tasleem, retail manager). Mani defined *“fashion”* and described why his business needs to remain up-to-date in these words:

We are introducing new products all the time and we are always experimenting because fashion is a game and is an ongoing thing, fashion changes from week to week never mind year to year and you have to be on top of the game at all times, you have to have your fingers on the pulse if you want to be up-to-date... (Mani, retail founder)

Thus the strategy of continuing to introduce new products and remaining up-to-date according to fashion trends is not a short-term strategy to cope with competition and to minimise the effects of the economic downturn only. Rather, it is related to the long-term business success. Data indicated that the dynamics

of Asian fashion informs customers' demands, which are changing, perhaps more and more rapidly, now than ever before. To meet these rapidly changing demands Aziz (retail founder), along with many other participants, said: *"I introduce new designs and variety of designs almost every week."* Hasan (retail founder) articulated: *"we introduce new designs and new product lines after every 2 to 3 weeks... in order to make your customers satisfied, you need to keep bringing new designs in."*

While there was no clear evidence in the data that these changes were driven by globalisation, extant research shows that the rapid changes in fashion and customers' demands are perhaps partly fuelled by rapid globalisation, coupled with, both improved communication (including social media) and transportation giving an unprecedented choice of goods and services to consumers (Davenport and Prusak, 1998 ; Godart, 2014). Therefore, it may be argued that these changes on a global scale, perhaps, require these businesses to have a broader understanding of fashion, not only from within the same ethnic context but also from broader external ethnic sources beyond West Yorkshire and/or even the UK. This apparent requirement was exemplified by Shahid (retail and wholesale owner): *"it's very much by immediate sources such as your film industry... your drama, TV serial industry, that makes it a lot harder to keep up with the trends."* Shahid was referring to Bollywood films and TV serials from Pakistan and India that are broadcasted to a South Asian audience in the UK. Reflecting what they do on the ground, Khalida, along with many other participants, felt that understanding the dynamics of fashion and responding to them requires sending someone out to gather market intelligence:

... another member of my family goes out and have a look around to see... what's going on in the market, what people are wearing... if we haven't changed that three years ago I think our business would have suffered but he brought a lot of new products such as kurties which people are wearing. (Khalida, retail owner)

Moreover, participants mentioned that they *"check blogs on the Internet"* (Mubashar, retail owner) and read *"journals... [and] go to catwalks"* (Shazia,

retail founder) in order to collect market intelligence and to grasp how fashion works and to keep up with the speed of fashion.

Overall, participants claimed that while the competition and the economic downturn created difficulties for their businesses, they have largely managed to cope with these difficulties. However, there was some acknowledgment of uncertainty about the future: *"The next 12 months will be tough, it will not be easy... business has been down since last year... the fact is that the recession is around and that things are a bit difficult"* (Ravinder, retail and wholesale founder). Rajab (retail founder) also manifested this uncertainty: *"only God knows what will happen during the next 12 months."* However, he hoped that his business would do better, or at least meet *"breakeven."*

In sum, the recent economic downturn added another layer of pressure for this business community who were already feeling the burden of heightened competition. However, despite these pressures, a vast majority of them categorised their businesses as successful, though they acknowledged facing sluggish growth and decreased profit margins, but not loss. That said, one of them experienced negative growth, but he too claimed that he did not make a financial loss. In line with these perceptions, Soriano and Castrogiovanni (2012, p. 335) believed that *'if the firms did not experience financial failure'*, they can be considered successful.

While these owners and managers seem to adopt various strategies to cope with the competition and to mitigate the effects of the economic downturn, these strategies cost them in the form of reduced sales and profit margins. However, their intent to adopt these strategies is predominately to survive and to maximise profits as such, perhaps, in the short-term.

That said, these were not entirely homogeneous views. Within these broadly adopted regimes, there were some subtle differences. For example, almost all of them kept introducing new products or product lines according to fashion and adjusted their prices according to market conditions. But some of them claimed that they have discontinued products that did not perform well. Others said that

they sell some products at very low prices to attract customers. Yet some of them said they negotiated prices with suppliers and claimed passing on the savings, or part of the savings, to their customers.

Finally, to some extent, these participants seemed to contradict each other as well as themselves. On the one hand, they claimed the competition and the economic downturn costed them, as they had to reduce profit margins and experienced slower growth rates than before. On the other hand, they never acknowledged that they were making a financial loss, though they acknowledged that their businesses were less profitable than before. The current study did not measure the profitability of these businesses, hence a claim cannot be made as to whether or not they made, or are making, a loss.

9.3 Chapter summary

This chapter presented the views of the participants pertaining to the perceived impact of the ethnic culture, religion, competition, and the economic downturn on the success of the sample businesses.

In reference to the ethnic culture as an ethnic resource as well as a structural factor, it was found to be at the centre of entrepreneurship in this sector. Data have indicated that these businesses aim to serve, and depend on, a very specific customer base, because the success of their businesses appears to be contingent on the existence of this specific customer base (the South Asians) and the way they practice their traditional culture. Extant scholarship has argued that group-specific cultures, specifically those of the entrepreneurs and their customer base, influence a range of social values, structures, resources, and behaviours and thus, impact on the success of the group, including their businesses (Basu and Altinay, 2002 ; Clark et al., 2015 ; Simoes et al., 2016). In the current case study, the group dependency is probably the reason most of these businesses are concentrated in pockets where this ethnic community lives in considerably large numbers. This geographic concentration supports, to some extent, the notion of particularism, i.e., the success of their businesses is historically shaped by their own particular culture and its manifestations rather

than the wider culture in and around West Yorkshire. That said, they cannot escape from the effects of the external environment (competition and recession), because ethnic minority businesses '*do not operate independently of universal forces that are ethnic-non-specific*' (Jones and Ram, 2010, p. 163).

However, this study presented a contrasting view than what has been found elsewhere, pertaining to the role of ethnic culture in ethnic entrepreneurship. For example, Vershinina et al. (2011) found that Polish ethnic minority entrepreneurs in the UK do not relate their businesses to their coethnic Poles. In contrast, participants in the current study felt that their businesses might cease to exist should their coethnic Asians stop practicing the culture and cultural manifestations the way they have been doing so far. In particular, this study has argued that celebrations of certain cultural festivals keep these businesses going. During these festivals, such as the two "*Eids*", "*Haj*", "*Raksha Bandhan*", "*Diwali*", "*Christmas*", and "*Weddings*", customers tend to buy abundantly from these businesses, according to the participants. Thus, these festivals/events not only need to be understood (due to their potential benefits), but they also need to be responded to in terms of meeting specific needs of the customers.

As for religion, there was a wide range of feelings about its role in these businesses, pointing to a heterogeneity that was not so obvious when they discussed ethnic culture. In line with Barro and McCleary (2003) and Noland (2005), numerous participants linked religion to high morality, fairness and an encouraging factor to ethical business practices. They claimed that they do not practice these high moral values just for the sake of the success of their businesses, but as an obligation towards fellow human beings. These findings are in contrast with what Basu and Altinay (2002) have found, i.e., religion does not exert an important influence in entrepreneurial activities in small businesses owned by several ethnic groups in London, including entrepreneurs from various South Asian religious backgrounds.

However, some participants contradicted the above view and discounted the role of religion altogether. Their perception seems to be based on three typical

reasons: religion is an internal personal matter and in their opinion it should be kept that way; religious teachings are not applicable due to the presence of (some) multifaith and multicultural customers and workforce; and religion is believed incompatible with the prevailing fashion which is the sector these businesses operate in. Some of them explicitly, others not very clearly, wished to separate religion from their businesses, because they feared by exposing their religious beliefs to others (such as staff, working colleagues, and customers) they might risk offending them. Thus, they kept saying that they keep a neutral belief system in their businesses and/or they do not bring religion, or apply religious beliefs, in their business practices.

That said, there are two weaknesses in this case study with respect to exploring the role of religion. First, I did not specifically ask participants about their own religious beliefs and/or how strictly they practice their religion. Therefore, it is unknown whether, or not, they keep religion and business separate in their lives. Nevertheless, many of them seemed to observe their religions in daily routine life, including in their businesses, but many others do not seem to follow any religious beliefs at work. Second, most of the participants were Muslims. Not enough participants from other faiths were found. Therefore it was difficult to analyse inter-faith differences.

With respect to the role of external environment, participants in this study said that they have faced challenges emanating from two (external) sources: competition; and the economic downturn that led to the austerity. The former is, perhaps, the consequence of infighting between these businesses for the same market base. The wider social, economic, and political environment is, perhaps, the source of the latter.

Specifically, the primary source of competition seems to be the opening of similar shops in the same geographic area selling more or less the same items, reducing market share for all of them as they ended up competing against each other for the same customers. The openings of the market style Bazaars in the same proximity, consisting of small shops or market stalls, ostensibly contributed as a secondary source to the already rife competition. Finally, the

perceived inability or unwillingness of the local government to enforce competition laws was also blamed for making the already saturated competition rife. Competition was also linked to the availability of imitated and/or cheaper products. It was perceived to be dividing the customer base, and consequently generating lower sales and/or lower profit margins for these businesses. This cut-throat competitive pressure was felt, perhaps, more severely during the economic downturn than before. According to Parasuraman et al. (1991), customer loyalty for a particular business or product generally decreases in economic downturns, because customers are typically concerned more about necessities, but clothing is described a luxury by the participants.

The continued competition was linked to potentially grievous implications for these businesses, this ethnic community, and the wider population. For the businesses, the competition ostensibly challenges the perceived unbreakable customer loyalty that was often mentioned by the participants during the interviews as the outcome of their good customer service and family-like relationships with customers (cf. chapters 6 and 7). For the wider society, the decreased profit margins that were seemingly experienced by these businesses could mean losing family livelihoods and increased local unemployment (Morrison et al., 2003), which in turn has the potential to negatively affect the national GDP and put pressure on the already stretched social services/benefits. Therefore, understanding the patterns of how the competition and the economic downturn affect these businesses, and their perceived reactions to cope with these hurdles, might help in policy-making so as to avoid catastrophic economic disasters for individuals, families, and communities (Simoes et al., 2016).

As for the challenges that are specifically created by the recession, the Polanyian notions of embeddedness seem to be at play in this sector because, *'Ethnic entrepreneurship takes place within wider social, political and economic institutional frameworks and opportunity structures'* (Vershina et al., 2011, p. 101). Therefore, it can be claimed that these businesses are not influenced by internal forces only, but by external economic and political factors too.

Moreover, while they claimed that they did not earn financial losses, there was a widespread anxiety of not being able to earn the levels of pre-recession profits at best and losing economic control of their businesses to the prevailing competition at worst. This anxiety was perhaps greater among the relatively established independent shops than those inside the Bazaars, though they also complained about competition and the economic downturn.

The perceived tightening of social benefits by the government seemed to exacerbate the financial difficulties faced by the customers of these businesses, which was believed to be having a knock-on effect on their businesses and on their livelihoods. The negative side effects of the economic downturn can potentially spill over to the wider society, because there was some acknowledgment that a minority of them could not maintain their pre-recession employment levels. Surprisingly, despite these difficulties, it was claimed that they know how to hold their ground through (reportedly) adopting various strategies, i.e., product and price differentiation and being up-to-date with the fashion.

Finally, in line with the argument posited by Ram et al. (2008, p. 440), *'entrepreneurs are grounded not solely in their own family-community resources but equally and perhaps even more significantly in an external structural context of state and markets'*, findings in this study suggest that cultural, religious, economic, and political contexts are important in explaining ethnic minority businesses. In addition, consistent with the mixed embeddedness model, which generally assumes that all immigrant entrepreneurs do not necessarily exhibit the same characteristics, because they do not have access to the same opportunity structures even within a particular enclave (Kloosterman and Rath, 2001), these entrepreneurs have exhibited different characteristics from other ethnic groups (Vershina et al., 2011) as well as the same/similar groups elsewhere (Thompson et al., 2010 ; Basu and Altinay, 2002). Thus, while answering the research question *'how do intangible human factors contribute to business success in ethnic minority small businesses?'* this chapter contributes to the mixed embeddedness model of ethnic minority entrepreneurship (Kloosterman et al., 1999 ; Kloosterman, 2010 ; Jones et al., 2014 ;

Kloosterman and Rath, 2006).

With respect to why these participants do what they do, they implied (in the previous three chapters) that they do it by choice and not because of any structural pressures, such as discrimination, fear of unemployment, and/or under-employment. However, in this chapter, they implied that the unusual pressures that they started experiencing in recent years are primarily due to the infighting between them for the same customer base. These pressures were further fuelled by the economic downturn. These unfriendly changes, specifically the infighting, may continue in the future requiring these, and may be other similar, businesses to adopt more pragmatic ways of exploring to breakout into the wider economy. Yet, there was no indication in the data of that happening. Nevertheless, they did mention diversification but that was limited to ethnic products and/or targeted at the ethnic customers only with the exception of one wholesaler who seemed to have discovered new markets recently in continental Europe. The impact of this infighting and the possible potential opportunities of breaking out will be qualified in more depth in the next chapter, which attempts to draw all the constructs together and presents a holistic view of the findings with the help of a conceptual model called '*the culture-induced entrepreneurship model*.'

Chapter 10: Discussion

This study aims to narrow a gap, which was outlined in the Introduction Chapter. That is, the role of Intangible Human Factors (IHF) for business success in small businesses, in general, and in ethnic minority small businesses, in particular, is an under-researched topic. As explained in the literature review chapter (cf. Chapter 3), the concept of business success is a well-researched topic in economics, psychology, strategy, and strategic HRM (Barney et al., 2011 ; Barney et al., 2001 ; Barney, 1991 ; Wright et al., 2014 ; Wright and McMahan, 2011 ; Wright et al., 2005 ; Wright et al., 1994 ; Mahsud et al., 2011 ; Hatch and Dyer, 2004 ; Becker, 1962 ; Blaug, 1976), but in large organisational settings only. Moreover, the existing research about ethnic minority entrepreneurship and small businesses, including South Asians in the UK, predominantly discusses how ethnic minorities engage in and operate small businesses (Basu, 2004 ; Basu and Goswami, 1999 ; Basu, 1998 ; Chaudhry and Crick, 2003 ; Clark and Drinkwater, 2010 ; Jones et al., 2012 ; Ram et al., 2008 ; Vershinina et al., 2011 ; Wang and Altinay, 2012). It does not explain the role of IHFs for the success of these businesses.

The research question that is formulated to address the above gap is, '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' Since it would be impossible to study all ethnic minority small businesses, a subset of these businesses is chosen as a case study to answer the research question. The case is South Asian ethnic minority (SAEM) small businesses that deal in Asian fashion and related accessories in West Yorkshire.

Besides answering the research question, the current study responds to the calls made by some scholars, such as Chaudhry and Crick (2003), Thompson et al. (2010), and Clark et al. (2015), who asked for further research in small businesses with a focus on specific sectors instead of traditional multi-sectoral research. Their invitations are perhaps based on the belief that multi-sectoral research is not able to bring out the nuances, i.e., what small business owners and managers do in particular sectors to achieve and sustain business success. Moreover, through answering the above research question and by focusing on a

specific ethnic market segment that has distinctive cultural characteristics, as noted in chapters 6, 7 to 8, the current study contributes to and extends the culturalist view of ethnic minority entrepreneurship. Furthermore, this ethnic business community functions within the larger UK economy, therefore, these businesses cannot avoid the wider societal and economic environmental factors, such as ethnic culture, the local competition, and the last economic downturn that led to the austerity. This point has been explained in Chapter 9 in light of the data. The next section brings all the constructs together to present a holistic picture of the findings and explains inter-construct similarities/differences and relationships. It does so with the help of a model that is developed and presented in this study. While doing so, it highlights the theoretical contributions of this study to extant scholarship, specifically, the literatures surrounding the culturalist view and the mixed embeddedness model of ethnic minority entrepreneurship/small business.

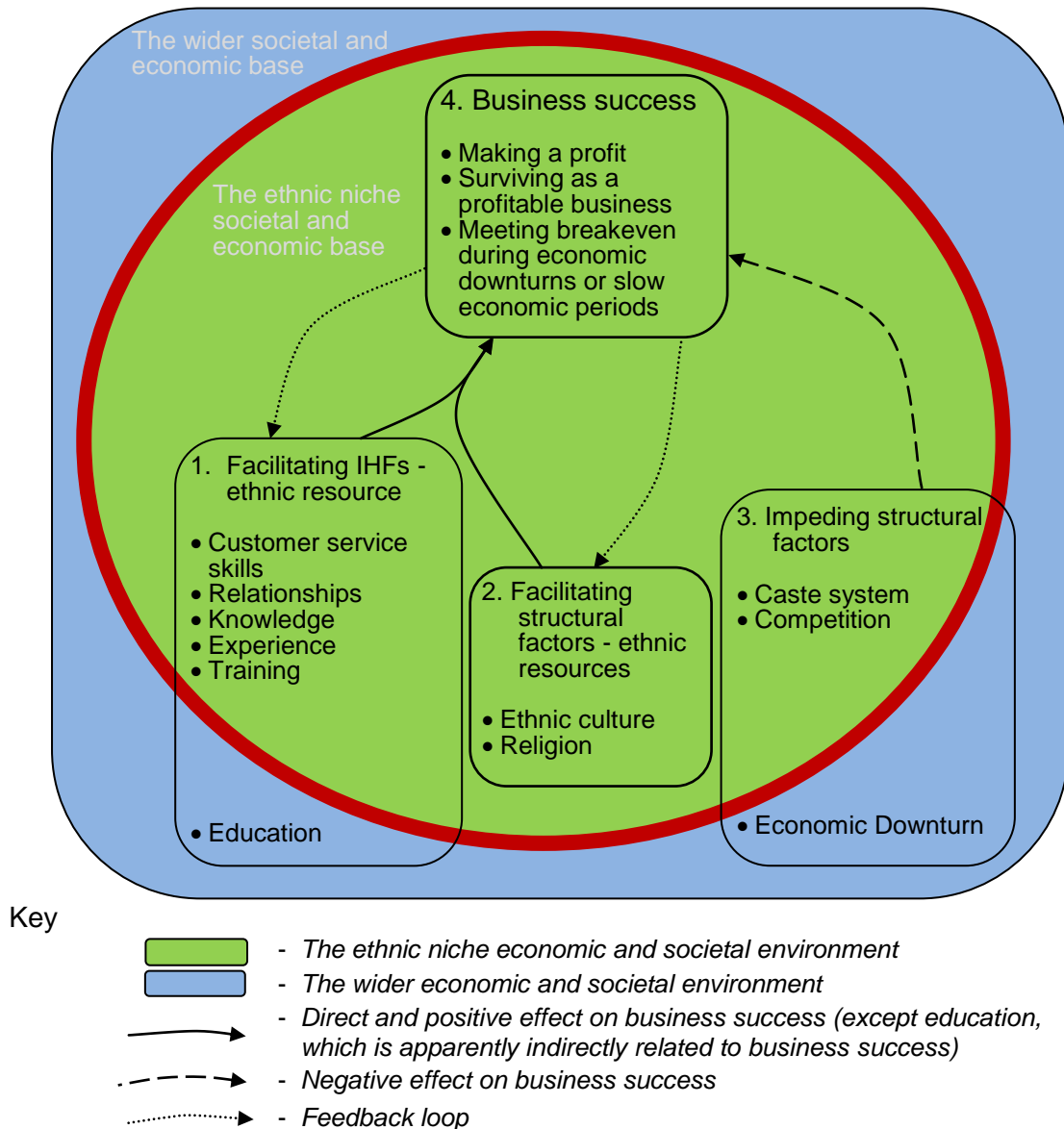
10.1 The culture-induced entrepreneurship model

The previous five chapters led to the development, in this chapter, of a conceptual model, '*the culture-induced entrepreneurship model (CIEM)*.' This model (cf. Figure 3 below) shows how the presence of South Asian ethnic minority population and the extent to which they practice their ethnic culture and cultural festivals, also referred to as '*ritualised occasions*' (Boissevain et al., 1990, p. 134), shape the way this ethnic business community approaches entrepreneurial and small business success. This model assumes that the more this ethnic community adheres to its culture and cultural manifestations, the stronger the red boundary wall becomes. I begin to explore this model by explaining the constructs that piece it together.

The green-coloured circular space in Figure 3 shows the niche economic market and the ethnic societal environment in which these businesses operate. Inside the circle, they have access to a number of IHFs and various structural factors (the boxes numbered 1 and 2) that are perceived to be ethnic resources and that facilitate the success of these businesses, some strongly others not that strongly. Moreover, inside this space, these businesses are exposed to

several structural factors (the box numbered 3) that constrain the success of these businesses.

Figure 3: Visual representation of the culture-induced entrepreneurship model (CIEM)



While ethnic culture was perceived to be negatively affecting knowledge sharing, it was believed to provide the foundations of success for these businesses. Hence, its overall effect is shown as a facilitating force. Similarly, religion was not considered relevant in all the aspects of these businesses, but it was presented by participants as playing an important role in some aspects, such as knowledge sharing. Therefore, it too is considered as a facilitating force.

The blue-coloured space, outside the green-coloured circle, represents the wider economic and societal environment. The outer space beyond the ethnic cultural and economic influence may include regional, national or even international customers, suppliers, and employees. Thus, the outside wider environment potentially offers an immense opportunity for these businesses to grow, prosper, and succeed. Education and the recent economic downturn were perceived not to belong to the niche market. Hence they are placed outside the green-coloured circle.

Since all the facilitating factors are perceived to be fundamentally underpinned in the ethnic cultural framework, they are called ethnic resources in this chapter. The list shown in the above figure is not exhaustive. The inclusion and exclusion of these factors can vary from one context to another. The order in which the IHFs are shown reflects how frequently participants discussed them in the current study.

The concepts of business success, ethnic resources, and the impeding structural factors (that make up the model) are explained and contextualised in the next three sections. In these sections, an explanation of the constructs that emerged from the data analysis is given and their relevance to the research question is highlighted. This is followed by the presentation of a simplified/modified model and an explanation of perceived relationships between, and across, the constructs. The chapter then explains the relationships between ethnicity and entrepreneurship. It also compares and contrasts the model with some of the widely used existing models in ethnic minority entrepreneurship/small business. By doing so, it highlights the theoretical contributions of this study. This chapter concludes by critiquing and questioning the narrow approach that is seemingly adopted by the sample business community, and the potential drawbacks of the narrow approach before the theoretical positioning of this study is highlighted.

10.1.1 Business success

Owners and managers of the sample businesses aim to succeed like any other commercial entity would naturally desire. They defined success along the lines of making a net profit or at least surviving as potentially profitable businesses in the long-term even if it means meeting breakeven at times of economic downturn or slow economic periods. While they used the term “*growth*” as a substitute for ‘*business success*’, they referred to growth as a continued state of profit-making or physical/employment expansion. What they meant by physical growth is opening new branches or expanding an existing branch or both, or entry into, or discovering new markets. Therefore, according to the findings, a successful business is the one that earns a net profit, or keeps growing, or survives, but does not incur a financial loss.

Within the scope of this study, several IHFs emerged from data that were perceived to be contributing to the success of these small businesses. All of them seem to be rooted in the ethnic cultural framework, though some strongly others not that strongly. These are customer service skills, social networking (relationships), prior knowledge (including knowledge sharing), experience, training, and education. Two structural factors, which also emerged from data, seem to facilitate business success. These are ethnic culture and religion (a constituent of the culture). However, at the same time the ethnic culture was perceived to impede some aspects of these businesses. The IHFs, mentioned above, together with ethnic culture and religion, answer the research question ‘*how do intangible human factors contribute to business success in ethnic minority small businesses?*’ in addition to contributing to and extending the culturalist view of ethnic minority entrepreneurship.

Three other factors emerged from the data there were believed to be inhibiting factors. Two of them seem to be rooted within the ethnic cultural framework, the third was considered to emanate from the wider economic environment. These are the Asian caste system, the saturated competition, and the recent economic downturn. Together, these three structural factors, along with ethnic culture and religion, contribute to and extend the mixed embeddedness model of ethnic minority entrepreneurship. While the majority view of the participants, which

emerged from the data regarding the above mentioned IHFs and the structural factors, led to the development of the conceptual model, their views were not entirely homogeneous. Some contrasting variations in the data were noticed in relation to the perceived role of these constructs. The constructs, which make the model up, are discussed next.

10.1.2 Facilitating factors - ethnic resources

Various forms of Intangible Human Factors, such as customer service skills, interpersonal relationships, knowledge, previous relevant experience, and on-the-job training (all as ethnic resources), were perceived by the research participants to have a great influence on the success of their businesses. However, one such factor, education, was not considered as relevant as those mentioned above. These factors are presented next. The technique I adopt in presenting these factors, and the structural factors that follow, is outlined below.

1. Each factor is defined in light of the existing literature and the data.
2. The factors are then contextualised on a point-by-point basis, highlighting each nuance that I believe contributes in answering the research question (*how do intangible human factors contribute to business success in ethnic minority small businesses?*). Each point/nuance is also contextualised in light of the relevant extant scholarship.
3. I then critically question the perceptions of the participants, the way I understood them, and the applicability of each factor in other contexts even within the ethnic minority entrepreneurship/small business sector. Important variations are also illuminated before moving on to presenting the next factor.

10.1.2.1 Compassionate customer service

Compassionate customer service skills encompass a wide range of interpersonal skills, such as bespoke/tailor-made customer service skills, interpersonal communication skills (including listening and body language

skills), and conflict resolution skills (Bolton 2009). In the context of this study, good customer service provision entails treating customers not only empathetically, but also like “*family*” and “*friends*”, which seems to be grounded in the family value systems and the ethnic culture of the participants. These metaphors, which the participants used when talking about the importance of customers, seem to fit in well with what Aldrich and Waldinger (1990, p. 128) described: ‘*Some groups have very hierarchically organized families and a clear sense of family loyalty and obligation.*’ The authors ostensibly suggest, like the participants seem to believe in this study, that serving customers with a degree of respect that is due to family members in a collectivistic society is not only the best practice but an obligation.

Moreover, findings suggest that by reflecting their family and cultural value systems in their businesses, this business community manages to adopt flexible behaviours with customers. The flexible and highly culturalised behaviours seem to reinforce an environment of trust building and belongingness to a shared cultural value system between them and their customers. Trust in the current case study seems to be a function of socially oriented attitudes towards each other and it apparently works as a lubricant to keep the parties consciously connected. Extant scholarship posits that the perception of shared belongingness creates trust between businesses and customers and is linked to customer retention and repeat business (Doney and Cannon, 1997 ; Ranaweera and Prabhu, 2003b). Thus, while extending extant scholarship, in this case the bodies of literature surrounding customer relationship marketing (Parasuraman et al., 1991 ; Beatty et al., 1996 ; Anderson, 1998 ; Bowden, 2009) and the culturalist view (Aldrich and Waldinger, 1990 ; Volery, 2007 ; Danes et al., 2008), these findings are unique for at least two reasons that are, perhaps, deeply rooted in the ethnic culture of the sample community.

First, children from a very young age are educated about the tenets of filial respect, responsibility, and piety in South Asian culture (Choudhry, 2001 ; Victor et al., 2012 ; Gupta and Pillai, 2002), in particular, and in the Asian culture (Lai, 2010 ; Allen and Evans, 2017), in general. This doctrine is passed on from one generation to another through practice (Choudhry, 2001 ; Victor et al., 2012).

The transfer of these values seems to have developed a strong desire amongst this business community to maintain the integrity of their cultural and family value systems in their dealings with others including customers, suppliers, and employees. These findings perhaps make the reader(s) believe that:

- a. These entrepreneurs and managers internalize the concept of respect and responsibility in their businesses, perhaps similar to the way they do so within their family and social life; and
- b. The motivation to provide good customer service in this sector is driven by the cultural and family value systems.

The internalization of filial respect and responsibility in this business community seems to be in contrast to that of old women from South Asian descent living in Canada who unexpectedly felt that the sense of filial respect was missing in the homes of their sons (Choudhry, 2001). Therefore, it may be suggested that while their culture and family value systems shape how they deal with others, the particular way they seem to have internalised filial-like respect and responsibility could be peculiar to this particular business community and/or highly contextual. Alternatively, while these skills seem to have been developed and utilised within the context of the South Asian ethnic cultural framework, it may not be possible to consider this group as a universally homogenised ethnic group.

Second, the individualistic cultural tendencies of '*time is money*' (Cannon et al., 2010, p. 517) at the cost of morality do not seem to be in practice in their sector. Moreover, instrumental benefits, such as financial gains and sales or profit maximisation, alone do not seem to drive the motivation of respecting customers. The sample owners/managers rather seem to be equally concerned about ethical ways of doing business, such as dealing with customers honestly. However, their ethical ways of doing business perhaps generate instrumental benefits even if they do not overtly intend so, or are unaware of the creation of such benefits. Therefore, in line with extant scholarship (Clottey et al., 2008 ; Grewal et al., 2017 ; Saeidi et al., 2015), adopting a customer-conscious approach and employing ethical ways of doing business, something these

participants said they do, potentially generates instrumental benefits such as customer loyalty and repeat business, something this business community seemingly values very highly.

In sum, the peculiar way of doing business, perhaps, suggests that on the one hand, this ethnic community might have changed in terms of material development, like many other ethnic minority communities did after they emigrated to the Western developed world, such as Russian Jews in Manhattan, Cubans in Florida (Light et al., 1994), Japanese and South Koreans in California (Portes and Manning, 2012), and Poles in the UK (Vershina et al., 2011). But on the other hand, their traditional core value systems in a foreign land, perhaps, remain an integral part of their everyday lives.

Having presented the majority view, it was noticed that a 50+ years old immigrant participant felt that the young generation within this ethnic group in this sector lacks the potential and willingness of providing good customer service. She seems to challenge what Masurel et al. (2004) call dedicated hard work as characteristics of ethnic minority business people, in addition to presenting a contrasting view to the majority perception in this study. However, her view is in line with the findings of Janjuha-Jivraj (2003), who argued that young South Asians in the UK are not socially as close to their coethnics as the older generations used to be. While this viewpoint was a lone view, and it may be a personal perception only, it has the potential, along with what Janjuha-Jivraj argued, to challenge Masurel et al. as well as the majority of the participants in this study.

This perception, perhaps, points to a possible alternative view about the notion of the continuation of ethnic culture of South Asian ethnic people in the UK. That is, the transfer of ethnic culture and family value systems from their homeland and/or from one generation to another is, perhaps, potentially eroding among UK-born further generations and perhaps so is their traditional way of life. Another, more plausible explanation is that this discrepancy in the data can be linked to lack of experience rather than to one's potential or willingness to provide good customer service. The importance of experience will be discussed

later in this chapter after relationships and knowledge - two other elements of IHFs.

10.1.2.2 Interpersonal relationships

As defined in Chapter 3 (literature review), relationships in business and management refer to a range of relations/cooperation between and across people and organisations typically from a similar culture that are based on '*a strong sense of belonging*' (Welbourne and Pardo-del-Val, 2009, p. 486). Owners and managers of the sample businesses claimed that they keep friendly close relationships with a number of stakeholders including customers, suppliers, and employees with whom they share a cultural background. The boundaries between the instrumental and social relationships are seemingly blurred perhaps because of the shared cultural background. Social events ostensibly provide fertile grounds to establish long-lasting relationships. For example, by participating in the social events of customers, such as weddings and bereavements, they do not share each other's feelings only at times of joy and sorrow, but also tend to discuss all sorts of issues including society, business, economy, and politics, thus finding common grounds on larger societal issues.

Relationship scholars, like Cousins et al. (2006), argue that relationships that are built on social aspects have the potential to increase trust and goodwill between the parties. Others felt that in contrast to the customers in the West, customers in the East, in general, value quality of relationships with salespeople more highly than quality of products/services (Zhang et al., 2014). This, perhaps, means that in contrast to the typical Western business culture (Luk et al., 1999 ; Merrilees and Miller, 1999), participants in this sector do not consider instrumental outcomes more important than the social side of relationships.

Besides customers, these participants seem to believe that the social aspect is an integral component of their relationships with suppliers, the workforce, the local wider community, and community-based organisations - all leading to the generation of additional business and repeat customers.

Like with customers, relationships with suppliers and the workforce seem to be underpinned by mutual trust and respect for each other's needs. The concept of informality seems to play a vital role in maintaining these relationships. Thus, while this business community displays some business characteristics that are, perhaps, distinctively different from others in many ways, but in many other ways they seem to have commonalities with small businesses in general, such as the concept of informality being a basic characteristic of small business management (Ram et al., 2001 ; Edwards and Ram, 2006 ; Wapshott and Mallett, 2015), because after all '*business is business*' (Masurel et al., 2004, p. 78).

Gender-based relationships or differences did not appear to be significant in the sample businesses. However, there were some clues in the data that some tasks, or perceived expertise, have possible connotations of traditional gender roles. For example, men were considered more efficient in doing paperwork than women (Casey et al., 2001), whereas women were considered to outperform men in customer service (Cliff, 1998 ; Ahl, 2004 ; Woodhams and Lupton, 2009).

Overall, while findings overwhelmingly suggest that these participants develop and maintain relationships by adopting a combination of social and instrumental aspects with a range of stakeholders, there are clues in the data that they aim to meet instrumental goals disguised as social relationships. They develop family-like relationships with customers so as to make them loyal. As with employees, they seemed to aim to make loyal employees because employee loyalty leads to customer loyalty (Nebeker et al., 2001). With suppliers too, they keep family-like relationships as long as their buying needs are met.

In line with the findings in the current study, Altinay et al. (2014, p. 68) found that ethnic minority business owners consider relationships with customers as a source of competitive advantage, and ethnic business people as business owners or customers learn the '*core values*' of developing and maintaining good relationships from their own ethnic cultural base. Thus, these findings contribute

to the ethnic minority entrepreneurship/small business literature and help us to understand how ethnic minority business people value and develop relationships with various stakeholders.

However, two criticisms can be leveled at the way they seem to develop and maintain these relationships. First, the disguised instrumentalism perhaps has the potential to weaken their relationships with customers, suppliers, and employees. For example, relationships with suppliers and employees are of an intimate yet very delicate nature because they are underpinned in trust that is built upon (expected) tangible outcomes. Such relationships may easily be broken if expectations are not met in accordance with past experiences. Second, since the art of establishing and maintaining these intimate relationships is ostensibly learned from their own experiences within these businesses, their limited experiences and skills may not help them when they face a different market segment.

Not all businesses viewed the importance of relationships in the same way. For example, relatively more established businesses were more concerned with maintaining long-term relationships with suppliers than newer and smaller businesses. The next section explores how knowledge and knowledge sharing were valued by this business community.

10.1.2.3 Knowledge and knowledge sharing

As defined in Chapter 8 (repeated here for clarity), knowledge is '*a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information*' (Davenport and Prusak, 1998, p. 4). Participants in the current study have a similar, but narrow, understanding of knowledge. They used the term '*knowing*' frequently to refer to knowledge, mostly about products and customers. Knowing the products means knowing the market forces, responding to market dynamics, and remaining up-to-date with the prevailing fashion. Knowing the customers appears to enhance the understanding of these factors in addition to being able to procure sell-able products. In addition,

knowing the products and the customers were associated with understanding personal traits of customers such as individual tastes, choices, and buying power and then offering them products and services accordingly.

While this knowing is valued in the small business literature (e.g., Zanjani et al., 2008 ; Kumar et al., 2006), it might represent only personal opinions of the participants. The claim that they can assess customers' shopping plans as soon as the (potential) customers enter into their shops may be highly contextual and based on a shared understanding of what shopping means and how it is carried out in their particular setting. Therefore, this narrow perception of knowledge has the potential to create uncertainty and ambiguity relating to whether or not such type of knowledge is applicable to the customer base beyond the sample small ethnic base.

The way in which these participants gain knowledge on the individual level seems to be a function of experience - the role of experience will be discussed later in this chapter. However, knowledge at the organisational level was perceived to be the outcome of a complex process of sharing experiences. In line with extant literature surrounding the notion of knowledge (e.g., Lee, 2001 ; Wang and Wang, 2012 ; Ipe, 2003), these participants perceived that it is through this sharing process that they convert individual-level knowledge to organisational-level knowledge and vice versa. The propensity to share, or not to share, knowledge was considered a personal trait and certain traits were felt to be more conducive than others.

Self-confidence emerged as the most important personal trait in knowledge sharing. People having greater self-confidence were perceived to share knowledge more openly because they perhaps do not feel that their status and/or position are threatened. In contrast, lack of self-confidence was considered a barrier to knowledge sharing because it perhaps potentially leads to narrow-mindedness and fearfulness of losing status or job or position as a consequence of knowledge sharing (Ipe, 2003 ; Li et al., 2006). The perception that greater self-confidence leads to greater propensity to sharing knowledge begs the question: where does (self-)confidence come from? Self-confidence

was felt to be the outcome of experience, training, and education (the topics of the next three sub-sections).

In addition to self-confidence, religion, and ethnic culture appear to affect the propensity to share knowledge. Religion (predominantly Islam) was felt to not only encourage knowledge sharing, but also to obligate its followers to share their knowledge as widely as possible in order to empower the entire society. This behaviour is perhaps shaped by the belief that certain fundamental outcomes in life are predestined (Keyes and Daniel, 1983), similar to the concept of Karma (Choudhry, 2001). As for the role of ethnic culture, it was considered an inhibiting factor in knowledge sharing even amongst family members fundamentally because of cultural competitiveness leading to interpersonal rivalry (Lu et al., 2006 ; Li et al., 2006 ; Ardichvili et al., 2006 ; Riege, 2005 ; Ipe, 2003). However, the overall role of culture was highly revered, therefore, ethnic culture as a whole is shown as a facilitating factor for business success in Figure 3 above. The contrasting perception about the role of religion and culture in knowledge sharing, perhaps, broadly implies that the desire to attend spiritual piety through religious observance can co-exist alongside personal rivalry to excel in material achievements. Such behaviours, however, may depend on the context at hand.

In short, knowledge as an IHF and knowledge sharing as a process were highly regarded by the participants. However, these views may reflect the personal opinions of the participants. Thus, they may be challenged outside the niche market. The next section sheds light on the perceived benefits of prior (relevant) experience, which is also considered as the rootstock of gaining knowledge, by the participants.

10.1.2.4 Previous relevant experience

Many scholars in the extant mainstream (Crook et al., 2011 ; Mahsud et al., 2011), small business (Millán et al., 2012), as well as ethnic minority small business (Basu and Goswami, 1999 ; Jones et al., 2007) literatures have highlighted the value of previous relevant experience. However, these scholars

seem to have predominantly understood experience as a form of knowledge gained through working in a particular type of environment without giving regard to social factors that might shape what experience means and how it is gained. Although participants in the current study seem to have understood experience along similar lines and value it for the success of their businesses, findings suggest that they link experience with their ethnic culture. They became entrepreneurs, perhaps, because (a) they were entrepreneurs or members of entrepreneurial families in the same or a similar field in their home countries before they came to the UK and/or (b) they had prior experience in the same sector as employees in their home countries or in the UK. In a recent qualitative study on ethnic minority small businesses in London Altinay et al. (2014, p. 68) made a strikingly matching argument: ethnic minority small business owners seem to have '*acquired what they called "core values"... in their countries of origin before starting businesses in the United Kingdom.*' Regarding employees, these participants believed that members of staff with prior relevant experience understand the business dynamics better. Hence, people with experience in the same field were linked to performing tasks faster and making fewer mistakes, thus, saving time and money for their businesses/employers.

While experience that is gained within the same field is valued highly, the narrow understanding of experience has perhaps potentially little value outside the ethnic niche market. They do not seem to be concerned with bringing in new ideas, or staff with experience of business in other sectors, from outside the ethnic space, which has implications for both these entrepreneurs and their employees. What if this sector starts to decline and the employees have to seek employment outside this niche space?

A small group of participants valued any experience, let alone relevant experience. They felt that people with experience (even if not relevant) can save time and money for the business they work for, to some extent, though not as much as people having relevant experience. Another small group amongst the participants believed that, sometimes, previously experienced employees are not flexible and have inertia to learning firm-specific skills due to overconfidence. Thus, there were diversified opinions about the value of

experience, though the majority of the participants viewed previous relevant experience as a useful IHF. This majority view largely extends what Simpson et al. (2004) and Soriano and Castrogiovanni (2012) have already posited within small business literature. The next section discusses how relevant experience and knowledge are gained through on-the-job training.

10.1.2.5 Training

As already mentioned in this thesis, training is '*a planned learning experience designed to bring about permanent change in an individual's knowledge, attitudes, or skills*' (Van Gramberg and Baharim, 2005, p. 2). Participants in the current study understood training, particularly on-the-job training, as a process that all employees ought to go through. Similar to experience and knowledge, on-the-job training, as an effective way of staff development, was linked to self-confidence and thus, to saving time and money for these businesses.

The finding that training makes people more productive, than those who lack training, contributes to the limited evidence in ethnic minority small business literature (Basu and Goswami, 1999). Moreover, this finding supports mainstream entrepreneurship literature where scholars have argued that managers that are trained on-the-job, according to the specific needs of the firm, understand organisational needs and deploy the workforce more effectively than counterparts who are not trained on-the-job (Hatch and Dyer, 2004 ; Mahsud et al., 2011 ; Zahra et al., 2006 ; Kwon and Rupp, 2013).

In addition to extending and reinforcing extant scholarship as seen above, these findings have a unique aspect. The participants seem to understand training needs and deliver them in ways that are, perhaps, very specific to this ethnic business sector. Therefore, the way training is gained and delivered in this ethnic economy may be questioned outside the ethnic cultural space. In other words, as in the case of customer service, relationships, knowledge, and experience, the utility of training in these businesses may remain limited to this ethnic business sector. More broadly, the perceived importance of these IHFs, as intangible ethnic resources, may be understood and realised within the

peculiar context in which they are learned, developed, and used. Hence, these findings are perhaps indicative of the existence of a highly localistic and particularistic behaviour in the sample business community towards entrepreneurship/small business ownership/management. Education, the last IHF and a constituent of the culture-induced entrepreneurship model, is discussed next.

10.1.2.6 Education

Education is regarded as the learning about a particular field that is derived from external sources (Fitzsimons, 1999 ; Tan, 2014 ; Thompson et al., 2010 ; Becker, 1962). The role of education in the dominant Western logic is propagated as: *'human capital obtained through education has been shown to be one of the strongest drivers of entrepreneurship performance'* (Millan et al., 2014, p. 627). In contrast, the sample business community seems to undervalue the role of education, perhaps, because the formal educational institutions, such as colleges and universities, happen to be situated outside the ethnic space (cf. Figure 3 above). Therefore, these institutions, ostensibly, play little role in the training and development of people who are involved in these ethnic businesses.

What is regarded highly, nevertheless, is the skill to work within this specific cultural framework. Such skills are not believed to be taught in colleges or universities in the UK. This perception is in line with the argument presented by Masurel et al. (2004, p. 78): an *'ethnic business is often concentrated in small identifiable market niches which derive their strength from their ethnic-cultural background.'* It may be possible that the under-valued perception of education is the result of the short-sightedness of the participants, i.e., they are, perhaps, not keen to bring in new talent (in the form of educated people), because of the purportedly limited role of Western education in this sector. This apparent short-sightedness might have implications for these businesses in the future, because they are not familiarising themselves with skills that could be useful if they wish to expand beyond their current customer base.

That said, the role of education was not discounted outright, rather it was linked to specific tasks, some education is seemingly required in office-based activities such as accounting. However, office-based work is rare compared to the manual work in these businesses. In addition, education was linked by the participants to a number of personal traits, thus, it might play an important indirect role, such as: educated people understand their tasks better; they communicate with others better and in many mediums/languages; they are more/better informed about others hence, they respect others and attract respect from others including customers and colleagues; and they have more confidence in themselves and their skills thus, they share knowledge more widely. On the contrary, less-educated people were linked to: having poor communication skills; lacking the ability to read other people, including customers and colleagues; having ego problems; and lacking self-confidence.

In sum, in contrast to the conception of education as a basic economic device in the Western society (Fitzsimons, 1999 ; Tan, 2014 ; Becker, 1962), participants seem to understand education as something culturally-specific and not necessarily a process of learning by attending college/university courses. Therefore, the concept of '*education*' emerged in the current case study as an ambiguous factor that perhaps requires further research to explore whether or not these attitudes to education are peculiar to this ethnic group.

Through highlighting the perceived role of various IHFs, such as customer service skills, relationships, knowledge, experience, training, and education, this section contributes to answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' These factors are linked to the success of these businesses, some strongly and directly, while others not that strongly and indirectly. Customer service skills, relationships, knowledge, experience, and training are believed to have a direct positive influence on business success. There is some confusion regarding the role of education. It perhaps does not play a direct role in the success of these businesses the way the other elements of IHFs seemingly do, but it was linked to important personal traits, such as confidence, trust building, and knowledge sharing. Overall, the perceived importance of

these factors, as elements of the IHFs, in the success of these businesses seems to be informed by the ethnic culture.

This section has so far demonstrated the theoretical contribution of this study pertaining to the notion of the culturalist view of ethnic minority entrepreneurship/small business, which was also highlighted in the works of scholars such as Basu (1998), Light and Gold (2000), Basu and Altinay (2002), Dana (2007), Volery (2007), Altinay (2008), and Chand and Ghorbani (2011). The next section illuminates the perceived role of structural factors in the success of the sample businesses.

10.1.3 Structural factors

This section discusses the role of structural factors in the success of these businesses. Some of these factors seemingly act as ethnic resources, such as ethnic culture and religion. Others are believed to act as impeding factors, such as the caste system, the local competition, and the recent economic downturn. These are discussed next in turn.

10.1.3.1 Ethnic culture

The ethnic culture, as a structural factor, was perceived to be an impeding factor only in one aspect in the operations of these businesses (knowledge sharing). The role of South Asian ethnic culture, in all other aspects, was valued highly by the participating owners/managers. Therefore, it is considered a facilitating factor. Since its value is derived from the ethnicity, it is considered an ethnic resource in this study. The central role that ethnic culture seemingly plays is perhaps indicative of the possible reality that these businesses employ an inward-looking approach and rely on their coethnic customer, employee, and supplier base. The perception that these businesses would cease to exist if the ethnic culture and cultural manifestations are not practiced the way they have been up until now (at the time of data collection for this study) was a recurring one.

There may be a peculiar historical link as to why this business community predominantly focuses on a particular customer base. The cultural roots of most of the participants, their customers, and the workforce originate from one area in Pakistani administered Kashmir, whose unique history has perhaps shaped the way the sample businesses operate. Mirpur and Dadyal form one administrative unit in Kashmir, where 280 villages were submerged when the Mangla dam was built in the 1960s. Subsequently, about 100,000 people were displaced. Many of them were given work permits in the UK when the post-war British economy was booming and was short of labour force. According to The Change Institute (2009), 70% of the British Pakistani community in the UK is comprised of people from Mirpur and Dadyal. West Yorkshire happens to be inhabited by a large number of this (sub-)ethnic community, in concentrated pockets mostly near city/town centres.

Thus, the cultural context and history of this ethnic group show the strategic strength of focusing on a narrowly defined customer, employee, and supplier base by these businesses. In doing so they appear to have created a domain for themselves, their employees, and customers whereby one may feel, almost unmistakably, as though they are wandering around in a marketplace in their country of origin. Look at the photos below (Figure 4) and see if you (the reader) can relate these photos to where (country and/or location) they might have been taken from.

The reader may be as bemused as I was when I placed these photos side by side. They look so similar in terms of the colours, material, and the way the goods are arranged. Two of these photos were taken from two of the participating businesses. The other two were sourced from Mirpur. The purpose of presenting these photos is to convey a striking resemblance of how certain aspects of SAEM culture in the case study area are, perhaps, practiced in the same way as they are in their country(ies) of origin.

Figure 4: Visual comparison of SAEM fashion shops in the UK and in Mirpur

Photo 1



Photo 2



Photo 3



Photo 4



These findings further extend the arguments made by some classical ethnic minority business theorists, such as Boissevain et al. (1990), Aldrich and Waldinger (1990) and Light and Gold (2000). These authors have theoretically posited that ethnic culture, as an ethnic resource, plays an important role in ethnic minority entrepreneurship. Specifically, Aldrich and Waldinger (1990) argued that ethnic minority people as entrepreneurs/business-owners and customers are naturally intertwined, and thus have regular patterns of interaction paving the way for each other's success and survival. The perceived dependency on a coethnic base, that is found in this study, is also in line with what Wang and Altinay (2012) and Chaudhry and Crick (2003) noticed in Chinese and Turkish ethnic minority small businesses in London and in South Asian small retail businesses in Birmingham, respectively.

However, these findings are in sharp contrast with what Basu and Altinay (2002) have found in Turkish and Turkish Cypriot ethnic business communities in London. Accordingly, the Turkish and Turkish Cypriot communities make little use of ethnic culture and cultural manifestations in the success of their small businesses. These findings also contradict what Vershinina et al. (2011) found, i.e., Polish ethnic minority entrepreneurs in Leicester do not value ethnic culture highly, because they do not depend on a coethnic base to make their small businesses successful.

Thus, the perception of the participants in this study surrounding the role of ethnic culture reinforces one stream of conceptual (Boissevain et al., 1990 ; Light and Gold, 2000 ; Aldrich and Waldinger, 1990) and empirical (Wang and Altinay, 2012 ; Chaudhry and Crick, 2003) literature, but it refutes another stream of empirical (Basu and Altinay, 2002 ; Vershinina et al., 2011) literature. A possible explanation for this discrepancy is perhaps that, like Deakins et al. (1997) argued in their study of ethnic minority entrepreneurship in Scotland, ethnic minority businesses in West Yorkshire approach/understand (ethnic) resources differently because they are perhaps facing different challenges, or having access to different opportunities than similar businesses in big cities like London, Birmingham, and the surrounding areas. This perception perhaps implies that we need to understand these businesses differently, because they appear to be distinctively different not from mainstream businesses only but also from similar businesses elsewhere, due to environmental barriers and opportunity structures, as is proposed by Kloosterman (2010) in the context of mixed embeddedness.

That being said, the perceived role of the ethnic culture within these small businesses was not a homogenous view. There were some variations in the data. Some participants, a minority though, considered ethnic culture as an impeding factor because it is perceived to create interpersonal competition even amongst family members, seemingly leading to interpersonal jealousy and competitiveness. These personal factors are ostensibly linked to hiding good things from each other, including knowledge. In addition to the overall ethnic

culture, religion, as another structural factor, was believed to affect business success, to some extent.

10.1.3.2 Religion

As for the role of religion, a constituent of the overall ethnic culture (House et al., 2004 ; Guiso et al., 2006), a dominant overall view did not emerge from the data. Religion was generally not considered to play a significantly important role, neither was it felt to be an impediment. Religion was perceived as either playing a positive role in some aspects, such as in knowledge sharing and in treating customers fairly and honestly, or no role at all. Keeping a neutral belief system also appeared as a viewpoint, because applying religious beliefs in the workplace and trying to impose these beliefs on others potentially can offend customers, colleagues, and others. But this perception is, perhaps, hypothetical, something the participants perceived but probably did not experience.

The notion that religion encourages knowledge sharing and promotes ethical business practices, such as do not cheat, do not lie, and respect customers' rights, seems to be based on the belief of pre-destined fate, like the notion of Karma (Choudhry, 2001 ; Keyes and Daniel, 1983), already mentioned. In contrast, the perception of religion not being related to how the participants run their businesses is linked to two factors. First, the prevailing fashion is apparently incompatible with their religion. Second, the perceived presence of multi-faith and multi-cultural people³¹ in the case study area ostensibly demands keeping a neutral belief system that can accommodate all customers, employees, suppliers, and any other such relevant people. Another constituent of the overall culture, the caste system, was also linked to affecting the success of these businesses.

10.1.3.3 The caste system

The caste system was perceived to have a similar impact on knowledge sharing as the culture itself, due to similar reasons. That is, it creates bias between

³¹ While multi-faith and multi-cultural people in the form of customers, employees, and suppliers were believed by the participants to have existed in very small numbers in the case study area, their presence was acknowledged.

people that belong to different castes and, thus, it creates mistrust, which leads to hiding good things from each other, including knowledge. In addition, participants implied that the caste system has similar effects on knowledge sharing as the class system, but the caste system, perhaps, does not prevent knowledge sharing between people belonging to the same family or caste even if they belong to a different class system. Since the caste system did not emerge as a major theme, and was mentioned by participants very superficially, the possible impact of this structural constraint cannot be discussed further in this case study.

In sum, drawing on the data that were collected from the semi-structured interviews from owners/managers of small ethnic minority businesses in answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this study has found that ethnic culture takes centre stage in the success of these businesses. According to the participants, some aspects of these businesses, such as customer service, relationships, and sales are directly influenced by the ethnic culture. Other aspects, such as experience, knowledge, and training are believed to be influenced indirectly, because these skills are gained within the same ethnic sector.

Therefore, what can be claimed here is that the success of these businesses is embedded in their overall ethnic cultural framework. That being said, some aspects of the ethnic culture (including the caste system) appear to create competitiveness and jealousy among people leading to the prevention of knowledge sharing. But religion, as one aspect of the ethnic culture, ostensibly facilitates knowledge sharing, which was valued highly by the participants. Therefore, it may be claimed that interpersonal jealousy, which is driven by the desire to excel in worldly achievements, and religion, which is informed by moral righteousness, seem to co-exist in this business community. The next section explores two other structural factors that are products of the environment and that also seem to influence the success of these businesses.

10.1.3.4 Competitive environment and the economic downturn

The saturated competition was a much complained about topic in this study. Saturated competition seems to be a consequence of selling the same or similar products by an increasingly large number of businesses in the same market and virtually competing for the same customer base. The prevailing competition was blamed by the participants for the decreased sales and/or lowered profit margins compared to a period of little competition only a decade ago. These findings match with what scholars from customer service literature (e.g., Parasuraman et al., 1991) have suggested: in highly competitive environments sales and profitability suffer, because customer loyalty towards a particular business/product decreases due to increased choice of products and/or decreased prices in the marketplace.

Besides saturated competition amongst the apparently established shops, the Bradford Bazaars³² were held responsible for the availability of cheaper products, often imitated, in the same marketplace, leading to more saturated competition. The perceived ineffective competition laws were also blamed for having contributed to make the competition rife than before. Those inside the Bazaars, although they did not talk about the Bazaars as such, also complained about lack of, or inadequate, government regulations. Therefore, it may be argued that while the small market stalls in the Bazaars might have contributed negatively to the competition for the independent outlets, they themselves seem to be victims of the saturated competition.

However, the perception that local councils' inaction/inability is responsible for the saturated competition creates several questions. For example, does it mean then: councils have to be responsible for competition between businesses in other sectors and/or geographic areas too within the UK and/or beyond? Should councils be given the credit for controlling competition in other sectors and/or geographic areas ignoring the role businesses themselves play? More importantly, is it simply a matter of lack of understanding by these participants about the dominant economic culture in the UK? With reference to the first two

³² The market stall-style small shops selling Asian fashion and related accessories from within four markets in Bradford.

questions, this study is unable to make any comments, because it did not study other sectors or how government policy affects competition. A discussion in relation to the third question can possibly be offered.

The UK is a free market economy that is based on principles of liberalism (Coates, 2014). Hence, the role of government in regulating competition is limited (Weingast, 1995). It can typically intervene only in situations of unfair trading and unethical trading behaviours by individuals and/or companies. Moreover, due to the liberal and free market mechanisms in place, the government and customers may benefit from competition in the form of tax revenues and cheaper/wider variety of products, respectively. Therefore, the government and customers, and possibly other business communities in the UK, may look at competition differently than the way this ethnic business community does. Moreover, in the presence of free market conditions, where the fittest survives and thrives, government intervention to control competition might not always be a good idea. Rather, government's heavy-handed intervention might be unhelpful to these, and other, businesses in gaining the ability to compete, succeed, and grow.

The above discussion, based on the perceptions of the participants, vis-à-vis competition in their sector might be an indication that this ethnic business community operates in an economic environment that is perhaps very different from the contemporary capitalist economic system in the West. It might be that the transfer of their ethnic culture over the years from their originating place to this diaspora resulted in the development of an ethnic economy where: they have been increasingly acting like each other; and they became like each other to the extent that they wonder why other economies do not believe the way they do. However, I did not study similar businesses in the geographic space they ethnically come from, neither did I study businesses from other economies, including the mainstream, in the sample area. Therefore, a claim in this regards cannot be made with certainty.

Moreover, in view of the perception that the inaction/inability of the councils consequently made the competition worse, there may be some areas where

policy-makers may intervene and support these, and similar, businesses. For example, policy-makers can help small (ethnic) business communities, without interfering in how the market forces work, in areas such as providing appropriate financial support for start-ups (Ram et al., 2012). They can also help by providing advice to businesses that wish to: use the internet and social media to increase sales; improve marketing; and customer relationship management (Castronovo and Huang, 2012 ; Utz et al., 2012). This type of support may encourage entrepreneurship and the expansion of the private sector which is perhaps required in the UK economy now more than ever in the aftermath of the last economic downturn (Ram et al., 2012), the effects of which are highlighted next.

The economic downturn that was triggered by the 2008 banking crises apparently resulted in increased competition in the sample ethnic economic sector, the way it might has in other sectors too. The economic downturn was linked to austerity measures that led to the tightening of social security benefits. Subsequently, household income of the masses in general ostensibly decreased, which seemingly forced people to decide whether to spend their limited financial resources on necessities or luxuries. Unfortunately, fashion and clothing happen to be considered luxuries, according to the participants.

Although participants complained much about the competition and the economic downturn as reasons for decreased sales and lower profit margins, they persistently regarded their businesses to be successful. This perception is, perhaps, the outcome of various measures that these owners/managers purportedly take to mitigate the impact of competition and the economic downturn. For example, in response to the market conditions, these participants tend to adopt innovative strategies such as product differentiation, price differentiation, and being up-to-date with the fashion trends³³. The word '*innovation*' as used by participants may not resonate with the meanings understood by management scholars such as Van de Ven (1986, p. 590), who defines innovation as '*the development and implementation of new ideas by people who over time engage in transactions with others within an institutional*

³³ Products and fashion trends here refer to South Asian ethnic minority fashion wear.

order.’ Gubbins and Dooley (2014, p. 1) provide a more comprehensive definition of innovation:

Innovation is the combined activity of generating new knowledge and the subsequent successful exploitation of this [knowledge] for benefit [of the organisation]... innovation [is]... an interactive and networked system that spans organisational boundaries to draw on knowledge, experience and capabilities from diverse sources.

In the current study, however, innovation means adaptability (Mahsud et al., 2011). Therefore, the concept of innovation in this case study ‘*does not require inventing something wholly new; it can simply involve applying an existing idea in a new way or to a new situation*’ (Dees, 1998, p. 5), such as offering a new product/service (which may not be new elsewhere) to customers in the existing market. The innovative adaptabilities that are seemingly employed in this sector are informed by demand in the market and the gaps they spot by watching what the competitors do. Their approaches also involve internal innovation such as selling a wide variety of ethnic products. In addition, their strategies also include gathering market intelligence and acting upon it by way of introducing new designs before competitors do so. These findings are in line with extant research about small Asian businesses in the UK as is stated by Chaudhry and Crick (2003, p. 353): ‘*certain retailers were continually refining their response to consumer needs to meet competition from other retailers... [by] stock[ing] a wider range of products or services.*’

Overall, the competition and the fuelling of the competition by the economic downturn, leading to the austerity measures, were perceived to be impeding factors for the success of these businesses to a great extent (cf. Figure 3). In particular, the competition was linked to dividing the customer base leading to decreased sales and lowered profit margins for these businesses. The economic downturn was associated with decreased income levels of the masses, including this ethnic community, consequently affecting sales and profit margins for these businesses as a knock-on effect. Therefore, it can be argued that these businesses are constrained by both the internal ethnic minority

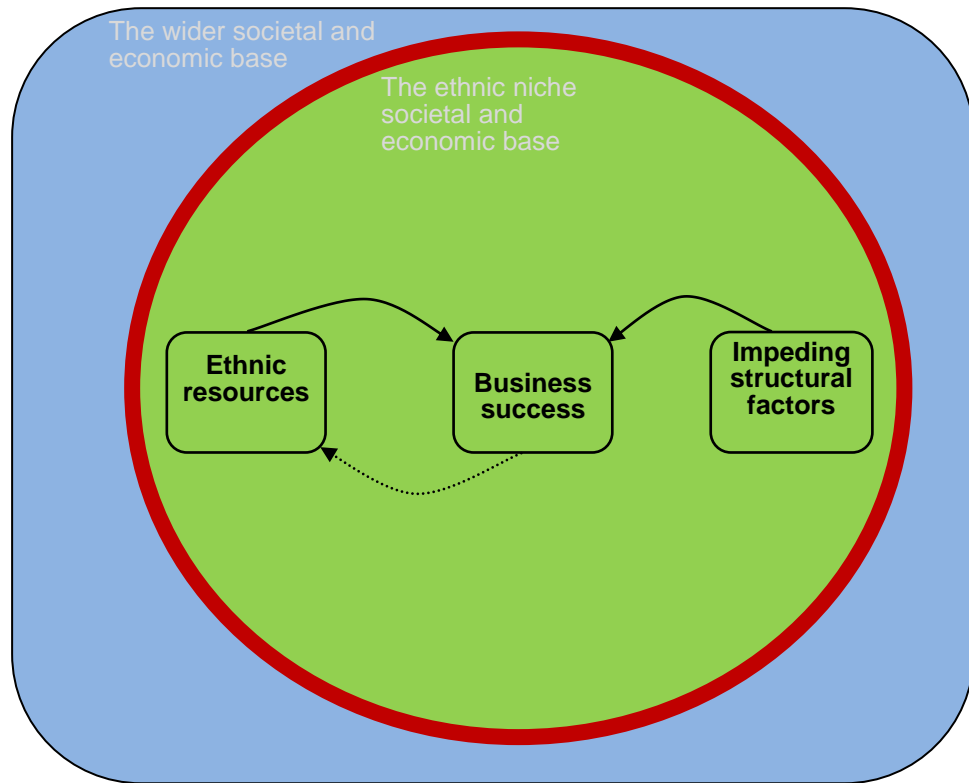
factors and the external wider societal economic, institutional, and political factors, as suggested by several scholars (e.g., Kloosterman and Rath, 2006 ; Kloosterman and Rath, 2001 ; Kloosterman et al., 1999). The internal factors include: the IHFs; the ethnic culture (including religion and the caste system); and the local competition. External wider societal and economic factors include the economic downturn, whereas institutional and political factors may include the austerity measures that were taken by the then coalition government in the aftermath of the economic downturn³⁴.

In short, it has been argued throughout this chapter that various ethnic resources facilitate the success of these businesses. These ethnic resources include IHFs (customer service skills, relationships, knowledge, experience, training, and to a limited extent education too) as well as some structural factors, such as the overall ethnic culture and religion (religion as a component of the culture). However, some structural factors, such as the caste system as a component of the overall ethnic culture, competition, and the economic downturn, appear to impede business success. This understanding leads to the following simplified version of the model that is presented in Figure 3 above.

³⁴ During the years 2013 to 2016, when I was collecting and analysing data.

10.1.4 The simplified model

Figure 5: Modified/simplified version of the culture-induced Entrepreneurship model (CIEM)



Note: the colours and the shapes of the boxes/arrows have the same meaning as mentioned in Figure 3.

Figure 5 above shows that the ethnic resources facilitate business success and business success in return, facilitates these resources, something I will discuss later in this chapter (cf. Figure 7). In the context of this study, ethnic resources refer to a combination of IHFs (those that emerged from the data in this study and that are discussed above) and coethnic structural factors (ethnic culture and religion). The impeding structural factors refer to a combination of coethnic (the caste system and the competition between these businesses) and non-coethnic (the economic downturn that made competition worse and that led to the austerity) factors.

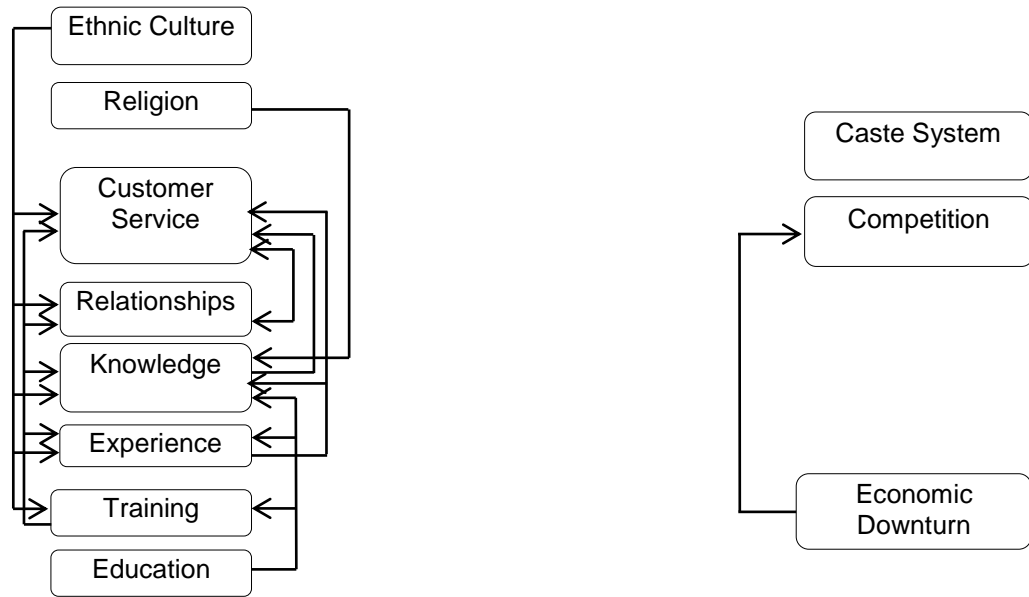
With regard to ethnic resources, this chapter shows that the IHFs along with ethnic culture and religion are ostensibly playing an overall positive role in the success of these businesses. Moreover, their roles were judged by the participants within their own ethnic cultural framework. Therefore, it can be argued that these participants value ethnic resources more than class

resources. Due to the apparent reliance on ethnic resources, it can also, perhaps, be argued that this business community seems to value particularism/localism more than universalism. The following section highlights the inter-construct similarities and relationships.

10.1.5 Inter-construct similarities and relationships

Besides influencing business success, some of the constructs discussed above seem to have strong similarities. For example, repeat business, something the participants valued very highly for the long-term success of their businesses, was considered an outcome of good customer service and friendly personalised relationships with a variety of external and internal stakeholders. Similarly, trust between the participants and their customers, suppliers, and the workforce was valued highly. Trust too was seemingly the result of providing good customer service, and having close and personalised relationships with these stakeholders. Prior knowledge (specifically about products and customers) and experience were linked to helping build trust between the participants and these stakeholders. Likewise, confidence, as an important personal competency, was believed to be the product of inter-personal relationships with these stakeholders, prior knowledge, experience, training, and education. Apart from similarities, findings suggest that there are strong relationships between and across these constructs. These relationships are shown in Figure 6 below, which is based on Figure 3.

Figure 6: Visual representation of inter-construct relationships



Summary of inter-construct relationships

- Good customer service provision is perceived to help establishing good relationships with customers.
- Experience is held responsible for gaining relevant knowledge.
- Experience and knowledge are perceived to guide these service providers in how to behave with other people (e.g., customers, suppliers, and employees) and what to do in specific situations.
- Education is considered to influence the way people are trained and how they gain experience and knowledge.
- Training is considered to help gaining firm-specific experience and knowledge, in addition to facilitating the development/maintenance of long-lasting friendly relationships with various stakeholders. Training was also felt to be an enabler in providing good customer service.
- The ethnic culture is believed to shape the way customer service is delivered, relationships are built, experience and knowledge are gained, and training is delivered/gained. However, culture does not seem to affect how formal education is gained and applied.
- Religion is believed to have a great positive impact on knowledge sharing. Religion was also linked to good customer service provision and building of

relationships, but indirectly, hence this relationship is not visualised in the above figure.

- The economic downturn is believed to affect competition and making it more common.

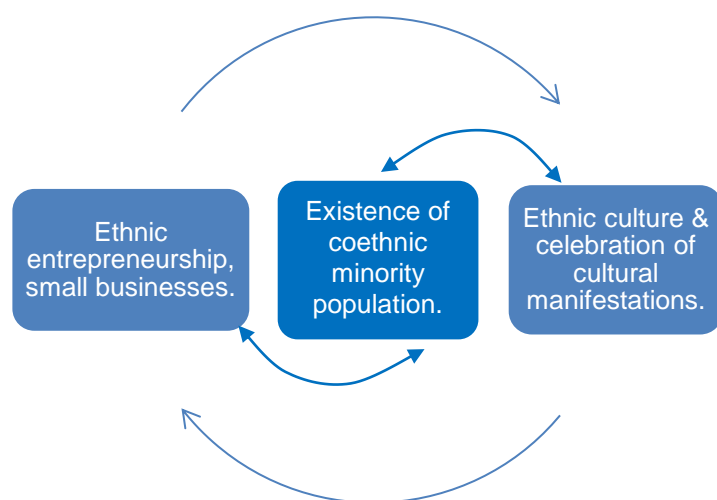
In addition to the above relationships, all the facilitating factors (the IHFs, the ethnic culture, and religion) are purportedly influenced by business success. That is, these businesses continue considering these IHFs (though education to a lesser extent than other IHFs, because it seemingly does not influence business success directly) important when (or after) they achieve the desired level of success. Therefore, they would continue developing and utilising these constructs. Similarly, the ethnic culture (also religion, to some extent) is believed to facilitate business success. In return, successful businesses seemingly facilitate the maintenance/continuation of these structural factors. This point is discussed in the following section (cf. Figure 7). The quote '*all have their worth and each contributes to the worth of the others*' from Professor John Ronald Reuel Tolkien seems to fit in well with regard to the inter-construct relationships (vis-à-vis the facilitating factors) and the ultimate goal of business success in this study. The remaining impeding factors (i.e., the caste system, the saturated competition, and the economic downturn) seemingly act as inhibiting factors only in achieving and sustaining business success.

10.2 Ethnicity, culture, and entrepreneurship

Findings in the current study suggest that while a range of internal and external factors seem to shape the success of these businesses, ethnic culture appears as the driving force behind that success more than any other factors that emerged from the data. The IHFs that appear to shape the success of these businesses are, perhaps, also informed by the overall ethnic cultural framework. However, the relationship between ethnic culture and business success does not seem to be one-directional. The success of these small businesses seems to support the survival and continuation of the ethnic culture. This notion leads to the following conceptualisation (Figure 7).

What is portrayed in the following figure is that, on the one hand, SAEM culture, perhaps, drives entrepreneurial activity. On the other hand, findings suggest that ethnic entrepreneurship helps the South Asian diaspora in the sample geographic area in avoiding/overcoming several potentially serious issues, such as social deprivation, unemployment, and financial distress, the likes of the issues that Choudhry (2001) found in his research about experiences of old immigrant women of South Asian descent in Canada.

Figure 7: Relationship between ethnicity, culture, and entrepreneurship



Note: the colour and size of the boxes/arrows in the above figure are irrelevant.

Drawing on the findings and based on the above figure, the relationship between South Asian ethnic minority entrepreneurship and their culture may be described as: (a) these businesses cannot exist without South Asian people being around and actively practicing their culture and cultural manifestations; and (b) their ethnic culture can remain alive only if these businesses are operationally active in selling coethnic products. The businesses will continue to do so only if they are successful. Thus, it may be argued that the two constructs (ethnic culture and entrepreneurship) are intertwined. They act as inputs for, and become outcomes of, each other in a sustainable way. They revolve around the ethnic population.

Thus, it can be argued that the characteristics of the ethnic population, such as its size and degree of concentration in a given space, determine the existence

and celebration of culture and cultural manifestations and the level of ethnic entrepreneurship/small business representation. In turn, the two constructs seem to influence the ethnic population. My own experience with fellow coethnics suggests that many ethnic people prefer to live and work in a place where they have other coethnics around them for the sake of meeting various ethnic and religious needs, such as the accessibility to food, grocery, and places of worship. This relationship is shown by the double arrows between the box in the middle and the boxes on the left and the right sides in Figure 7.

It can also be argued that the relationships between these businesses and their customers, suppliers, and employees are not an internal matter only. All the parties have their own unique needs for which they depend on each other and they have their own bargaining powers, which they use to influence others, collectively shaping the way these businesses are run. For example, customers depend on these businesses to supply them with what they want according to their culture. These businesses depend on suppliers to supply products that can be sold to the customers. Similarly, suppliers depend on these businesses, the way these businesses depend on their own customers, for continued business. This complex interdependency is similar to what Margaret Scotford Archer has called '*epiphenomena*' referring to individuals in a collectivistic society that: '*are held to be 'indeterminate material' which is unilaterally moulded by society, whose holistic properties have complete monopoly over causation*' (Archer, 1995, p. 3). Archer gives the following example to explain how a society moulds its subjects or epiphenomenals:

... small-scale interactions between teachers and pupils do not just happen in classrooms but within educational systems... Both pupils and teachers... bring in with them different degrees of bargaining power (cultural capital as expertise) that is resources with which they were endowed in wider society by virtue of family, class, gender and ethnicity. Equally, the definition of instruction which they literally encounter in schools is not one which can freely be negotiated in situ but is determined outside the classroom, and, at least partially, outside the educational system altogether. (Archer, 1995, pp. 10-11).

In the context of the current case study, the epiphenomenals are this business community, their customers, suppliers, and employees, who are shaped by their culture to a great extent. In addition, these epiphenomenals have their own needs for which they depend on each other and they enjoy certain bargaining powers through which they influence the way their coethnic epiphenomenals operate.

So far I have explained the conceptual model that is built and presented in this chapter, its component constructs, the similarities and relationships between and across the constructs, and the relationship between ethnicity, culture, and ethnic entrepreneurship. Next, I will compare and contrast this model with some of the existing models to unravel the uniqueness of the model and to further highlight its contributions to existing knowledge.

10.3 The uniqueness of the culture-induced entrepreneurship model

Applicability of the culture-induced entrepreneurship model (CEIM) in other ethnicities and/or geographic areas may vary depending on contexts, such as coethnic niche markets or market sizes. The distinctiveness of this model may perhaps lie in the unique ethnic characteristics of the sample ethnic business community that this case study has studied. To explore whether or not the CIEM is unique, I will now compare and contrast it with the following frequently used existing relevant theoretical concepts.

1. The culturalist view;
2. The mixed embeddedness model;
3. The enclave theory;
4. The middlemen theory;
5. The interactive model;
6. The market disadvantage theory;
7. The Human capital theory; and
8. The resource-based view of the firm.

10.3.1 The culturalist view

One of the closely linked models to the CIEM is the culturalist view (also referred to as the culturalist perspective, the cultural theory, or the pull factors view) (Wang and Altinay, 2012 ; Piperopoulos, 2010 ; Volery, 2007 ; Basu, 1998). The premise of the culturalist view is that entrepreneurial spirit is grounded in the ethnic culture, such as the desire for freedom and the propensity to take personal, psychological, and financial risks (Basu, 1998 ; Chaudhry and Crick, 2003 ; Ibrahim and Galt, 2003 ; Pio and Dana, 2014 ; Jones and Ram, 2003). According to Masurel et al. (2004, p. 79):

‘In the culturalist approach ethnic migrants are supposed to possess culturally determined features which are prerequisites for economic success and entrepreneurial attitudes, such as dedication to work, membership of a strong social network, acceptance of risk, compliance with social value patterns, solidarity and loyalty, and orientation towards self-employment.’

Masurel et al.’s conceptualisation seems to be true in the case of this case study, but this may not be the full picture. According to CIEM, the overall ethnic culture and cultural manifestations shape, and get shaped by, the ethnic entrepreneurship, in addition to culture and cultural characteristics that an individual is equipped with and that determine his/her entrepreneurial behaviour. Thus, there is a circular relationship between entrepreneurial success and cultural continuation (cf. Figure 7), which is underpinned in:

- a. The size and/or degree of concentration of the coethnic minority customer, supplier, and employee base; and
- b. The extent to which the ethnic population actively practices their culture and cultural manifestations in a given space.

While the CIEM is not the same as the culturalist view as mentioned above, the strong commonality between the two is that both conceptions fundamentally hold the ethnic culture as the driver for entrepreneurial/small business success. Hence, the CIEM makes important contributions to the literature surrounding the

culturalist view (Basu, 1998 ; Light and Gold, 2000 ; Basu and Altinay, 2002 ; Dana, 2007 ; Volery, 2007 ; Altinay, 2008 ; Chand and Ghorbani, 2011). The CIEM takes the argument made by the culturalist view further and explicates that there is a two-way relationship between ethnic entrepreneurship and ethnic culture with ethnic population providing the foundations for both to exist and facilitate each other (cf. Figure 7 above).

10.3.2 The mixed embeddedness model

The premise of the mixed embeddedness is that, economic activity in a given context is not shaped by economic environment only but also constrained by non-economic institutional contexts including religion, culture, politics, and social networks (Kloosterman et al., 1999 ; Kloosterman, 2010 ; Jones et al., 2014 ; Kloosterman and Rath, 2006). This concept holds true to a large extent in the current study. Findings suggest that the sample businesses are shaped by the ethnic economic and societal factors as well as the wider economic and societal factors (Figure 3 above). Therefore, this thesis argues that besides depending on economic, cultural, and social setup of the ethnic community itself, success of the sample businesses is influenced by external environmental forces, including the wider economy, the local and national politics, and the social welfare system. Thus, this study contributes to the mixed embeddedness model, the works of authors like Kloosterman et al. (1999), Kloosterman and Rath (2001), Kloosterman and Rath (2006), Ram et al. (2008), Kloosterman (2010), and Jones et al. (2014).

The CIEM has similarities with the mixed embeddedness model. For example, the concept of mixed embeddedness assumes that there are opportunity structures that exist in a given context and these opportunities do not always exist everywhere in the same way, they are not available for all in the same way, and they are not always free of obstacles or risks (Kloosterman and Rath, 2001). This is because the creation and realisation of the economic opportunity structures are equally rooted in both the local and the wider societal contexts (Lee and Peterson, 2001). However, while the CIEM recognises the role that the external economic and societal environmental factors play, the overall

success of the small businesses (at least in the context of the current study) is driven by the ethnic culture and cultural manifestations. Hence, while there are some similarities between the mixed embeddedness model and the CEIM, they are not one and the same.

10.3.3 The enclave theory

Both the ethnic enclave theory and the CEIM focus on a specific geographic vicinity, perhaps, the only similarity between them. The enclave theory is based on the concept that some ethnic minorities organise a variety of business activities to serve coethnic minority population in a given vicinity (Portes and Shafer, 2007 ; Volery, 2007). The enclave theory, however, focuses on a distinct economic sector from within the mainstream economy and pays equal attention to explicating economic gains for the workforce employed in the enclave as it does for the entrepreneurs/small business owners. Moreover, the business activities, according to the enclave theory, are as open to the mainstream population as they are to the particular ethnic group in the enclave.

In contrast, the CEIM is drawn based on an ethnic business community that predominantly focuses on coethnic customers, suppliers, and employees. Moreover, the ethnic economy, which the sample participants in the current study operate in, does not seem to be open to the mainstream business community.

10.3.4 The middlemen theory

The middlemen minority theory essentially is based on the perception that some individuals, families, or groups who happen to be traders in their country of origin continue to be traders and act as middlemen between the ethnic minority in diaspora and the population in their country of origin (Light and Gold, 2000 ; Drori et al., 2009 ; Ibrahim and Galt, 2011). It sometimes refers to ethnic minority traders who happen to operate in marginalised sectors in the mainstream economy, and thus act as middlemen between ethnic groups and the majority population (Greve and Salaff, 2005). The middlemen mediate between the elite and the masses in pursuit of economic gains, therefore, their

economic activities are not exclusively directed to an immigrant community (Portes and Manning, 2012). Middlemen business people visit or emigrate to other countries to seize economic opportunities (Kloosterman and Rath, 2001).

In contrast, the CIEM is based on an ethnic group that predominantly deals with coethnic customers, suppliers, and employees. As such, the sample businesses in the current study do not depend on the mainstream customer, supplier and employee base. Moreover, according to the participants, their businesses are not necessarily driven by profit-seeking motives, though profit-seeking is considered an important factor for success and survival, but not the only objective. Social service to the coethnics was considered equally important. Nevertheless, there are some similarities between the two concepts. For example, in both cases, prior experience in business seems to determine future attitude towards business. In addition, economic activity of the middlemen has the potential of supporting the continuation of ethnic culture in diaspora, which is a strong notion according to the CIEM.

10.3.5 The interactive model

According to the interactive model, entrepreneurial opportunities of ethnic minority people are determined by the degree of difference between their culture and the culture of the host population (Volery, 2007 ; Pütz, 2003). Greater the difference, the more difficult it will be for the mainstream entrepreneurs and the easier it will be for the coethnic entrepreneurs to understand the needs of the ethnic population and fulfil them (Volery, 2007).

However, findings in the current study suggest that these participants do not compete with the mainstream business community. Rather, they compete against each other in order to have a better understanding of the customers' needs (who predominantly happen to be from the same ethnicity) and to fulfil these needs. Hence, the degree of difference between the two cultures is irrelevant.

10.3.6 The market disadvantage theory

The premise of the market disadvantage theory (also referred to as the iron cage perspective, the structuralist view, or the push factors view) (Basu, 1998 ; Altinay, 2008 ; Wang and Altinay, 2012) is that ethnic minority entrepreneurship is essentially the result of desperate attempts to survive in a hostile market. This concept is based on the perception that job market hurdles are commonplace for ethnic minorities due to factors, such as lack of relevant experience or qualifications, lack of knowledge about the local context, discrimination, or lack of mobility because of poverty (Chrysostome, 2010 ; Volery, 2007). Thus, this theory implies that ethnic minority entrepreneurship is a mere alternative to unemployment, or under-employment, rather than a sign of entrepreneurial success.

In contrast, according to the CIEM, the businesses that are studied in this research do not seem to be the result of negative push factors, although many of them may have started as necessity-based entrepreneurial activities several years ago. Many of them, perhaps, have moved on and gone past the stage of necessity immigrant entrepreneurship. They seem to have a passionate drive to be successful businessmen/women, as well as managers, perhaps because of the experiences they gained from two interrelated sources: first, the experiences they gained over the years within the same sector in the sample geographic area; and/or second, the natural use of business skills they, or their entrepreneurial immigrant ancestors, brought with them from their countries of origin. Besides the aforementioned six models, which are located in ethnic minority entrepreneurship, the CIEM is compared with and contrasted against two other models, which are typically situated in the strategic entrepreneurship literature - the human capital theory (HCT) and the resource-based view (RBV) of the firm.

10.3.7 The human capital theory

The human capital theory values education as the root of success and treats it as a basic economic device in Western societies (Fitzsimons, 1999 ; Tan, 2014). In contrast, according to the CIEM, while education enhances

performance at personal level, it plays an indirect role in organisational performance and its role at the organisational-level is far less important than that of other IHFs that are identified and discussed in this thesis. Therefore, in the context of the current study, the tenets of the human capital theory perhaps do not apply in the same way as they do in the case of mainstream businesses.

The mismatch between the two may lead to the question: what would be a HCT that should be adopted for the sample businesses? A possible answer to this question perhaps depends on which direction these businesses go, i.e., whether they continue focusing, or over focusing, on their coethnic customer, supplier and employee base only, or if they breakthrough into the wider market base. If these businesses manage to breakthrough into the wider market base, then they might value education (academic qualifications) differently, perhaps in the same way, or in similar ways, to their Western counterparts. If they continue focusing on their own ethnic base only, as usual, then the HCT, and HC itself in the form of formal education, may remain of little importance for them.

10.3.8 The resource-based view of the firm

Similar to the resource-based view (RBV) of the firm (Barney, 1991), the CIEM posits that certain types of IHFs play important roles in organisational performance and/or business success. In the context of the current study, these IHFs include customer service skills, relationships, prior knowledge, prior experience, training, and education. But there are contrasting differences between the RBV and the CIEM. For example, the concept of RBV assumes that resources are distributed heterogeneously across organisations, which if protected can ensure the achievement of future business success and sustained competitive advantage (Blaug, 1976 ; Nyberg et al., 2014 ; Barney et al., 2001 ; Barney, 1991).

In contrast, findings in this research suggest that the IHFs are considered important not because they are heterogeneous across these organisations but because they play important roles within the specific cultural framework, irrespective of their heterogeneity. Moreover, these resources are considered to

be underpinned by the ethnic culture, rather than mere personal characteristics of individual owners/managers/employees. The discrepancy between the two is perhaps because RBV is applicable in large organisational settings only (as it has been the case hitherto), whereas the CIEM deals with ethnic minority small businesses only (at least in this study).

While the CIEM has similarities with the above (eight) theoretical concepts, it is not exactly the same as any of them. Moreover, while it is more akin to the culturalist view and the mixed embeddedness model than others, it is by no means a replication of them. Due to its similarities and differences with these existing concepts, it is believed that the CIEM extends these theoretical notions. Specifically, while answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses*', this study makes a unique original contribution to the literatures surrounding the culturalist view and the mixed embeddedness model.

The discussion offered so far indicates that the success of the sample ethnic businesses is seemingly and typically informed by the predominant focus of the owners/managers on their own coethnic cultural base. However, this continued myopic approach may lead to self-blindness and can potentially create serious consequences for the sustainability of their business success. The next section critiques and questions the apparent traditional narrow approach, which provided underpinnings for the CIEM that is built and presented in this chapter.

10.4 The risks of maintaining a narrow focus

Although perceived as successful so far, the success of these businesses in the future could be questioned should they continue focusing on their coethnic customer, supplier, and employee base only. However, the potential challenges these businesses might face need to be judged in their historical context.

As already discussed in Chapter 2, the Indian ethnic minority entrepreneurship in the UK started declining since the 1990s, not because they failed in the traditional low-return necessity-based ethnic entrepreneurship, but because

they were able to find better paid-employment and made a breakthrough into high-return entrepreneurship, such as IT and insurance sectors (Jones and Ram, 2003 ; Jones et al., 2012 ; Clark and Drinkwater, 2010). Evidence also suggests that the increasingly high level of enrolment of Pakistani and Bangladeshi descent young people in higher education in the UK is a promising development (Dale et al., 2002). Statistics indicate that the ethnic minorities, including SAEMs, in the UK are enjoying higher returns from occupational skills and learning (Lindley, 2009). Moreover, the further generations of this ethnic community in the UK have greater potential to succeed in the job market than their previous generations, because the earlier generations typically endured job market hurdles due to lack of UK-based or Western-style qualifications (Sanders and Nee, 1996 ; Simoes et al., 2016) and poor (English) language skills (Robinson, 2005). Thus, the (potentially) upward change in education levels of Pakistani and Bangladeshi descent ethnic people can help them to overcome job market hurdles, like it did in the case of their Indian counterparts (Jones and Ram, 2003). Moreover, they can avoid the unfavourable treatment their first (or previous) generation-immigrant ancestors traditionally experienced in the job market and with financial institutions in the UK (Carter et al., 2013).

These demographic changes might raise two fundamental questions. First, will this business community be able to attract and retain the next generation of SAEMs as loyal customers? The next generation may not remain as coethnic as the current generation is, or the previous generations have been. The next generation may consider themselves a hybrid generation and can adopt Westernised fashion. Second, will these traditional businesses be able to convince their UK-educated children or the hybrid generation to work for these small businesses where wages and/or other rewards (such as holidays and bonuses) are already considerably low compared to the industry average (Ahmad, 2008a ; Edwards and Ram, 2006)? Findings in this study do not suggest that there has been any thought among the participants of breaking out from their limited niche market and breaking through into the wider market base, which can potentially provide these businesses with several higher return opportunities (Basu, 2011 ; Jones and Ram, 2003). As discussed in Chapter 9, the independent outlets outside the Bazaars blame those inside the Bazaars for

negative competition, which confirms the argument made above, i.e., they are a narrowly inward-looking ethnic business community with little planning to diversify or breakout of the small niche market.

Additionally, the presence of the myopic thinking, or the absence of a broader and more diversified approach, further raises important questions for the long-term survivability and thriving of these businesses. Markets (such as customers, suppliers, and potential workforce) may not remain the same, particularly in light of the demographic changes that are occurring in the SAEMs in the UK due to the ever-increasing levels of educational attainment (Dale et al., 2002), which may lessen racial discrimination in the job market. Peoples' attitudes towards clothing, like towards other things, may change. Economic environments can take turns in any direction at any time. More importantly, the ever increasing globalization may create dynamic challenges and opportunities (Godart, 2014) for businesses, which may require them to make rapid and overarching adjustments to capitalise on these opportunities and/or mitigate the threats. The sample businesses may not be exceptions. In addition, the ever-tightening control of immigration by the successive UK governments may also have adverse effects on these businesses as it potentially decreases their coethnic population base.

These potential uncertainties about external environmental conditions may necessitate these owners/managers to think strategically, because pretending that internal and external business environments will remain more or less the same could prove disastrous. In particular, overdependence on the local coethnic population and hoping that the customary attitudes of the traditional local coethnic customer base will remain as loyal as they were described (at the time of data collection) may jeopardise the long-term success of these businesses.

By raising these questions, the current research warns these owners and managers about the potential of losing the ability to sustain their business success should they continue pursuing a short-sighted approach in the future, i.e., focusing, or over-focusing, on their own cultural niche market only.

Moreover, by critically questioning the longer-term viability of these businesses, I am not critiquing their perceptions and experiences that entrepreneurial success comes from customers who share the same ethnic culture. Nor am I cynical about their future success, given their proven ability to compete in an intensively competitive economic environment and to survive economic downturns such as the one they experienced recently. Furthermore, by making these statements I am certainly not professing that the business environment in which they operate is about to change, neither do I suggest that this business community needs to change the way they have been operating their businesses specifically from the standpoint of the customer base. Rather the speculative questions I have raised above might have implications, which this business community ought to be aware of in order to make continued future success possible.

To be clearer, the argument this thesis makes is that, if the overall situation remains largely unchanged, especially with respect to the size of the local ethnic community and the way they practice their ethnic culture, then these businesses will likely perform as usual. But if that happens to not be the case in the future, then what will happen to the success/survivability of these businesses and those individuals and their families whose own success/survival is attached to the continuation and success of these businesses remains a question.

While highlighting a number of potential issues that might create problems for these businesses, I recognise that it is also possible that the market trends may change in favour of these businesses. Ritualised cultural events such as weddings, Eid, Diwali, and so on, which were perceived by participants to be giving a boost to their businesses, are less likely to die out anytime soon and the fusion of Eastern and Western cultural wear may increase. These possible changes may result in various structural opportunities for this business community. My own experience bears witness to the latter phenomenon already happening, albeit at a small scale. For example, Kurti³⁵ and Khusa³⁶ are

³⁵A traditional garment usually worn by young women of South Asian descent as a top.

³⁶A pump-like shoe made of leather.

famous products in some areas of the UK (such as in West Yorkshire) among young women of all ethnic backgrounds and individuals of both sexes of all age groups respectively.

In short, I acknowledge the perceived success in the sample sector so far is praiseworthy. However, the short-sighted attitude that was manifested by the participants towards entrepreneurship/small business might risk their future success if they fail to breakout of the ethnic niche market and breakthrough into the wider market base. Their narrow focus on their own coethnic base is perhaps because they do not think the grass over the hill is greener. It may also be the case that they never felt the need to discover how it looks like on the other side of the hill. Therefore, it may be suggested that their frustration about the ever-increasing competition is perhaps the consequence of their unwillingness to look over the hill and beyond the narrow coethnic niche market. This unwillingness, wilfully or unwittingly, has perhaps prevented them from diversifying their business activities according to the changing environment. In turn, the lack of diversification seemingly costs them in the form of decreased sales and lower profit margins compared to what they used to enjoy in the past.

Having explained the possible implications of the culture-induced entrepreneurship model, which is drawn on the findings of this case study, I appreciate that its applicability in other sectors, geographic areas and/or ethnic communities is yet to be explored. It is also possible that this model may be contextually-specific with reference to sector, geography, and/or ethnicity, or even all of them. What can be, however, said is that, since this study focused on South Asian ethnic minority small businesses dealing in fashion wear and related accessories, the CIEM may be germane to this ethnic group. Beyond this group, this model can possibly be relevant in three different scenarios. First, SAEM small businesses dealing in fashion wear and related accessories elsewhere in the UK and/or in other countries. Second, SAEM small businesses in general in the UK and in other countries where this ethnic community is considered as an ethnic minority, albeit some researchers (e.g., Basu and Altinay, 2002) have suggested that SAEM small business owners in other areas in the UK do not specifically focus on their own coethnic customer base. Third

and finally, it may be applicable to other ethnic minority businesses, although some researchers have argued that some ethnic minority entrepreneurs in the UK (Poles in Leicester, for example) focus on the wider customer base instead of their own coethnic customers (Vershina et al., 2011). The next section sheds light on the theoretical positioning of the current study.

10.5 Theoretical positioning of the thesis

As seen so far in this chapter, as well as in the previous five chapters, while the current study both extends and contradicts numerous past studies and bodies of literature, its main contribution is the model that is built and presented in this chapter - '*the culture-induced entrepreneurship model*.' Specifically, apart from answering the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses*', this study and the CIEM contribute to and extend two particular bodies of interrelated literature:

- a. The culturalist view of ethnic minority entrepreneurship and small business, the works of various scholars, including: Boissevain et al. (1990); Basu (1998); Light and Gold (2000); Ram et al. (2001); Basu and Altinay (2002); Jones and Ram (2003); Masurel et al. (2004); Edwards and Ram (2006); Dana (2007), Volery (2007); Altinay (2008); Chand and Ghorbani (2011); and Basu (2011).
- b. The mixed embeddedness model of ethnic minority entrepreneurship and small business, the works of various scholars, including: Kloosterman et al. (1999); Kloosterman and Rath (2001); Kloosterman and Rath (2006); Ram et al. (2008); Kloosterman (2010); and Jones et al. (2014).

That being said, I acknowledge that many of the constructs, specifically those called IHFs (cf. Figure 3), are historically situated in other theoretical frameworks such as strategic entrepreneurship (Barney, 1991 ; Hatch and Dyer, 2004 ; Nyberg et al., 2014).

10.6 Chapter summary

Contributing to answer the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', this chapter brought together the various factors that were presented and discussed in the previous five chapters. Two types of factors emerged from data analysis - IHFs and structural factors. Six IHFs emerged from the data analysis. These are customer service skills, relationships, prior knowledge, prior experience, training, and education. Some of them were perceived to play more important roles than others. The perceived importance of these constructs for the success of these businesses is underpinned by the South Asian ethnic culture, although less so in the case of education. The structural factors, which emerged from the data analysis, include ethnic culture (including religion and the caste system), saturated competition, and the last economic downturn. Together, these IHFs and the structural factors provided the basis for the development of a conceptual model shown in Figure 3 in this chapter.

In practice, participants seemed to be concerned about coping with the ever-increasing competition that was fuelled by the last economic downturn as a way of achieving business success and making it sustainable. The presence of South Asian ethnic culture and the way cultural manifestations, or ritualised occasions, are celebrated appear to be the most important factors responsible for successfully combating the prevailing competition and the hostile economic environment. Thus, in the context of this case study, the CIEM portrays that ethnic culture shapes the entrepreneurial behaviour of ethnic minorities and influences the success of their businesses. However, participants seem to focus narrowly on their own coethnic customer, supplier and employee base only and tend to avoid tapping into the wider market base. This study argues that three factors might adversely affect future success if these business owners and managers fail to breakout from their narrow niche market and ethnic social setup and breakthrough into the wider economic and societal base.

Firstly, the demographic makeup of South Asian ethnic minority in the UK is rapidly changing. There are now more British born and UK-educated ethnic South Asians than ever before compared with people from the same ethnicity

who are born and educated in their countries of origin. This demographic change could potentially mean that the future generations may not remain as loyal to these traditional businesses as their ancestors have been because of two reasons: (1) those born and educated in the UK may relatively easily find better paid jobs in the mainstream job market due to their locally earned human capital through education and reduced discrimination against non-mainstream ethnic people compared to their ancestors; (2) the British born ethnic South Asians may adopt an attitude which may be aligned more towards Westernized clothing than traditional Asian clothing. While the above are assumptions only, they can potentially decrease the market size of this particular ethnic group.

Secondly, the increasingly controlled immigration in the UK might have adverse implications for the way this ethnic economy has kept focusing on their own coethnic base only. The ever-tightening control of in-migration from outside the EU (at the time of writing up of this thesis) by the successive British governments may cause a reduction in the ethnic minority population. These immigration regimes will eventually prevent any refreshing of the SAEM-born population. There is already a rule in place about minimum earnings needed before migrant workers can enter and/or stay in the UK. This requirement is carefully designed by the UK government to exclude all those who do not fall in the highly skilled and/or educated professions. The highly qualified and professional people might not emigrate in the first place from countries such as South Asia. Even if they do, they would not come or move to semi-rural areas. More critically, they would not come from the more traditional rural areas of South Asian countries, if they are to apply for entry clearance, in contrast to the traditional way, i.e., the Mirpuris from Pakistani controlled Kashmir. These (potential) changes could eventually translate into a smaller size of coethnic population base, which, in turn, could mean a smaller customer base and fewer business opportunities for these traditional ethnic minority businesses.

Thirdly and finally, the increased globalization can also affect the success of these businesses. In particular, the rapid advancement in telecommunications (including internet and social media) could pose a threat for these businesses should they continue doing business in the traditional ways only and not taking

advantage of these developments. For example, these businesses can increase their sales by selling their products online (Utz et al., 2012) to those customers who cannot or do not come to their shops within the UK or beyond. Similarly, they can use the internet to shop around for best possible deals before they buy stock from suppliers. Moreover, they can use social media for cost-effective advertising and selling (Khang et al., 2012). Although there is some evidence in the data about the use of social media by these businesses, that evidence is limited to sending pictures of new products to the mobile phones of local regular customers only. But, the use of social media, in addition to the internet, is much wider than merely sharing photos of products.

In short, the existing coethnic structure in the sector that the current research has studied may not be sustainable due to the environmental, or the potential environmental, changes mentioned above. Therefore, what has worked well until now could come to be seen as short-sightedness and narrow-mindedness in the future. This might have serious implications for these businesses and has the potential to sabotage their chances to remain successful in the long-term. However, these are speculations only. Time will tell whether or not they are to happen. Nevertheless, it may be worthwhile to be aware of these potential threats and/or opportunities, be prepared, and plan future business direction accordingly. The next chapter summarizes findings and highlights possible implications of these findings for scholars, practitioners, and policy-makers. The next chapter also highlights the limitations of this research and identifies possible future research paths.

Chapter 11: Thesis Conclusion

This study explores the perceived role of people-dependent intangible resources, referred to as Intangible Human Factors (IHF) in this study, for business success in small ethnic minority businesses. Since it is impossible to study all ethnic minority small businesses in one study, this study adopts a case study approach. The case is South Asian ethnic minority small businesses dealing in fashion and related accessories in West Yorkshire. This study adopts a qualitative research approach in order to provide a possible answer to the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', and to explore the opinions of the participants about the perceived importance of IHFs for the success of their businesses.

A total of 33 business owners and 11 managers were interviewed from 39 small businesses. The interviews were conducted in a semi-structured interview environment. One interview was excluded due to incomplete information. The remaining (43) interviews provided a large amount of unstructured data that were analysed using an inductive thematic approach.

The next section highlights the contributions of this study to the ethnic minority entrepreneurship/small business literature, followed by its (limited) contribution to the existing methodological literature. This chapter then explains implications for researchers, practitioners, and policy-makers. Limitations of the thesis and possible future research paths are also mentioned before the concluding remarks in the last section.

11.1 Contributions and extensions to the existing literature

Two bodies of literature helped, more than others, in answering the aforementioned research question and in making sense of the findings. Therefore, findings contribute to and extend these two bodies of interrelated literature more than other theoretical concepts that have been discussed in this study. These are the culturalist view and the mixed embeddedness model of ethnic minority entrepreneurship/small business.

11.1.1 Contribution and extension to the culturalist view

According to the culturalist view of ethnic minority entrepreneurship, entrepreneurial behaviours of ethnic minorities are underpinned in cultural characteristics. These characteristics including: the propensity to take personal, psychological, and financial risks; dedication to hard work; membership of social networks; attitudes towards ethnic cultural value systems; and solidarity and loyalty towards coethnics (Basu, 1998 ; Chaudhry and Crick, 2003 ; Ibrahim and Galt, 2003 ; Pio and Dana, 2014 ; Jones and Ram, 2003 ; Masurel et al., 2004).

Findings suggest in this case study that the sample business owners/managers consider a number of IHFs to be playing an important role in the success of their businesses. These factors include customer service skills, interpersonal relationships, prior knowledge and knowledge sharing, prior relevant experience, on-the-job training, and education. Some of these factors were perceived to play a greater role than others, primarily due to the degree of their embeddedness in the ethnic minority culture. For example, customer service skills, experience, and knowledge were valued higher than education. Unlike customer service skills, experience, and knowledge (which are gained from within the same or similar organisations), education is seemingly gained from the educational institutions that happen to be situated outside the ethnic niche space. Overall, the perceived value of these IHFs for the success of the sample businesses is ostensibly judged within the South Asian ethnic cultural framework. Alternatively, the development and use of these IHFs is informed by the ethnic culture. Thus, this thesis contributes to the culturalist view of ethnic minority entrepreneurship literature.

While findings suggest that the ethnic culture shapes the success in these businesses, business success, in return, facilitates the continued existence of this community as a distinctively different ethnic group than other ethnicities. Moreover, business success in this sector is believed to affect further development of these forms of IHFs. Therefore, this thesis extends the culturalist view of ethnic minority entrepreneurship.

11.1.2 Contribution and extension to the mixed embeddedness model

Besides the IHFs mentioned above, a number of structural factors emerged from the data. Some of them were considered facilitating factors, whereas others were believed to impede the success of these businesses. The facilitating structural factors include South Asian ethnic culture and religion, although culture was believed to discourage knowledge sharing and religion was perceived as being incompatible with the prevailing fashion trends and not befitting to multiculturalism and multi-faithism. In other words, the overall role of the ethnic culture was highly praised, and it was predominantly considered as an enabler in achieving business success. Moreover, the number of multicultural and multifaith customers was found not to be big enough or influential enough to change the way in which these service providers deal with their customers. Thus, religion was considered to be playing a more positive role than a negative, or was considered to be neutral.

The impeding factors include the Asian caste system, the saturated competition, and the recent economic downturn. While the caste system was mentioned superficially, it was linked to creating bias and mistrust between people belonging to different castes. Thus, it was considered to be a hurdle in knowledge sharing. As for the competition, businesses in this sector seem to increasingly compete against each other, perhaps, due to their narrow focus on their own coethnic market base only. The recent economic downturn was felt to be making the already rife competition rife, thus, costing these businesses in the form of reduced sales and decreased profit margins. In addition, the economic downturn was blamed for the austerity measures that subsequently decreased customers' income and buying power, which seemingly had a knock-on effect on the sales and profits of these businesses.

Therefore, findings contribute to the mixed embeddedness model of ethnic minority entrepreneurship, which posits that ethnic minority businesses are not shaped by the coethnic social setup only, but also by the wider economic environment and the non-economic institutional contexts including religion,

culture, politics, and social networks (Kloosterman et al., 1999 ; Kloosterman, 2010 ; Jones et al., 2014 ; Kloosterman and Rath, 2006).

Through its contributions, this thesis does not only contribute to what is already known in ethnic minority entrepreneurship/small business literature, but it also has the potential to help scholars better understand the inter-relationship between ethnic culture and other structural factors shaping the successful running of ethnic minority entrepreneurship/small businesses. Besides contributions to the existing relevant literature, this study also offers a limited contribution to methodological literature.

11.2 Contributions to methodology

The methodological contribution of the current study comes from the use of Dragon Naturally Speaking software as a transcription tool, followed by NVivo as a data storage, management, retrieval, and analysis tool. Although the methodological benefits of the latter have been theoretically explained by few scholars (Bazeley and Jackson, 2013 ; Edhlund and McDougall, 2013), and empirically tested by many others (e.g., Welsh, 2002 ; Ozkan, 2004 ; Ishak and Bakar, 2012 ; Basit, 2003), the former has been rarely used in research except its limited usage in the care profession (Issenman and Jaffer, 2004 ; Loh et al., 2009).

The use of these tools did not only save time and money, but it also contributed to the overall quality of the study. For example, the use of NVivo helped in making sure '*all is data*' (Glaser, 2002, p. 1), i.e., to take into account all that were collected during interviews and the field notes that were recorded following the interviews. Moreover, the use of NVivo helped in coding data from multiple participants simultaneously as I was able to see multiple participant data in multiple screens at a time, which would not have been possible if I had relied on conventional paper-based analysis or word processors/spreadsheets.

As for the use of Dragon, it helped to transcribe the digitally recorded interviews while my memory of the interviews, and the environment in which they were

conducted, was still fresh. Soon after I had listened to my participants face-to-face, I listened to their recorded interviews again and shouted their statements into a bluetooth microphone in my own words for Dragon to type up in its word processor. This process made me become more familiar with the data, in addition to making the transcription process faster and more accurate. Moreover, this process contributed to making links between the interview data and the field notes, which were used later during the analysis/coding process to identify/strengthen the overarching themes that emerged from the data. In addition to the theoretical and methodological contributions, this study has some important implications for various groups of people.

11.3 Implications of the current study

The three groups of people for whom the current study is believed to raise some important implications are researchers, practitioners, and policy-makers.

11.3.1 Implications for researchers

The culture-induced entrepreneurship model (CIEM) is a unique model that explains something beyond the existing models including the culturalist view, the mixed embeddedness model, the enclave theory, the middlemen theory, the interactive model, and the market disadvantage theory. The model highlights two important findings. Firstly, besides explaining how ethnic minority entrepreneurship/small business is shaped by the economic and social aspects of the coethnic group, it explicates how the wider economic and social setup in a given space influences the way these businesses operate. Secondly, and more importantly, this model explains a two-way relationship between business success and ethnic culture. To my knowledge, this is a novel finding in this study.

Therefore, this model perhaps has the potential to provide a point of departure for ethnic minority entrepreneurship/small business research. Specifically, ethnic minority businesses are not shaped by personal traits only, as suggested by some researchers (e.g., Verheul et al., 2012), but rather: (a) the success of ethnic minority small businesses, like the ones studied in this research, depend

on the presence of coethnics (in the form of customers, suppliers, and employees) who belong to the same linguistically distinct ethnic group; and (b) the extent to which the ethnic group practices their ethnic culture and celebrates cultural events (ritualized occasions). The relatively large and concentrated coethnic niche markets, perhaps, provide a unique opportunity for success of ethnic minority businesses.

That being said, while the majority view led to the development of the CIEM and provided an answer to the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*', there were important variations in the data. These variations included the ambiguous role of education and, to some extent, the role of religion. The variations seemingly suggest that one size does not necessarily fit all, necessitating that ethnic minority scholarship needs to understand how specific groups, and even how individuals within specific groups, approach entrepreneurship/small business differently. Moreover, findings suggest that there is no one model that can explain on its own how ethnic minorities operate their small businesses. Therefore, ethnic groups and individuals, perhaps, cannot be entirely homogenised on the basis of their ethnicities, though there may be overarching commonalities that make people become like each other due to a strong shared culture they practice.

11.3.2 Implications for practitioners

As already hinted in the previous chapter, due to its large population size and spatial concentration, SAEM population in the sample geographic area may have created a unique niche ethnic market resource in the form of customers and employees and offered favourable conditions for these businesses to prosper. However, it was also alluded to in the same chapter that this ethnic group might not remain large enough in the future due to at least two reasons. First, the hybrid Asians may not remain culturally as "*Asian*" as their early generations or immigrant forefathers have been. Second, the population size of this ethnic community may experience a decline in the UK due to legislation introduced by successive UK governments. The in-migration to the UK from

South Asian countries, as well as from most other parts of the developing world, may be further reduced due to the current political hype of over-immigration specifically in the aftermath of the Brexit Referendum. Even if the coethnic population remains reasonably large in size, it may not necessarily lead to a large enough coethnic market base, because the mere population size does not necessarily represent the market base if members of the population do not actively practice ethnic culture and/or ritualized occasions in traditional ways.

Therefore, practitioners ought to be aware that practicing the culture by the coethnic customers or potential customer base is equally, if not more, important as that of the size and degree of concentration of the ethnic population. Having this awareness might help practitioners to diversify their businesses/business activities and the ways of doing business. Particularly, this awareness might guide them to breakout from the ethnic cultural niche market base to take advantage of the wider market base and adopt other ways of selling, such as through internet/e-commerce. In other words, it might mean that being aware of the possible potential future changes in the behaviours of the customers and the ethnic cultural dynamics may lead to more open/better business strategies than the current mindset of these participants, which is informed by the narrowly defined customer base. It might also mean that practitioners ought to adopt a more open attitude and willingness towards diversifying the market base, which could possibly provide a successful business pathway in the future. The next section sheds light on the implications of the findings of this research for policy-makers.

11.3.3 Implications for policy-makers

The culture-induced entrepreneurship model seems to have some implications for policy-makers too. For example, most of the business owners in the sample purportedly embraced business as something worthwhile to do. The managers too seemingly chose their profession because of the satisfaction they appeared to enjoy from it. However, they all complained about the local competition. Part of their complaint was leveled against the perceived local government's inaction to control/regulate competition. Ironically, the competition that they complained

about is perhaps actually a consequence of infighting among themselves for the same customer base in the same ethnic niche market, rather than something stemming from outside. This implies that this business community, perhaps, needs to breakout from the narrow niche market and expand their business activities into the wider economic and societal base.

Policy-makers can help small businesses, the likes of those studied in this research, to get around this issue through support policies such as making grants available for start-ups and offering a range of free business advice/awareness services. Any financial support/grant can potentially be helpful for small businesses in diversifying their businesses/products and channels of selling (such as online selling through the internet instead of sticking to traditional face-to-face retailing only) (Gabrielsson and Gabrielsson, 2011 ; Castronovo and Huang, 2012), and in expanding their customer base by outreaching to the wider market base through appropriate use of the internet and social media tools.

Availability of such kind of support might compliment the important role these, and other similar, small businesses already play for the UK economy, as emphasized by Ram et al. (2012, p. 505): *'EMBs [Ethnic Minority Businesses] contribute an estimated £25 billion to the economy each year; and with their greater propensity to start new businesses they would represent a significant opportunity for an economy looking to grow its private sector.'* Having mentioned the contributions of this study, and the possible implications, it is acknowledged that this study has some limitations.

11.4 Limitations

Although all possible measures were taken to minimize potential shortcomings at every stage starting from the research design down to the discussion of the findings, this research inevitably suffers from three typical limitations.

Firstly, the views participants expressed that led to the findings and the formation of the CIEM may be construed as their personal opinions only and

therefore, may not reflect the actual ground reality. While I tried to minimize the potential risk of social desirability (Forsberg et al., 2014) during the interviews and analysis of the data, it is possible that people do not necessarily do what they say they do or they do not say what they actually do. Moreover, only owners and managers were interviewed in this research. Others, such as customers, suppliers, staff, the public, and the governmental agencies may have different views.

Secondly, although I intended to recruit owners/entrepreneurs and managers from as many backgrounds as possible (such as countries, religions, gender, and so on) from within the South Asian ethnic minority business community in the case study area, participants happened to come from Pakistani, followed by Indian descent only. Moreover, there are more Muslims in the sample than people from other faiths and more men than women. These limitations, perhaps, reflect that this ethnic minority in this geographic area is dominated by Pakistani (Muslims), followed by Indians (Nomis, 2013, cf. Table 4 in Chapter 2). It, perhaps, also means that there are more men involved in these small ethnic minority businesses as entrepreneurs/owners and managers than women. However, it is through following the normal practice in qualitative research (purposive followed by snow-ball sampling) that I stumbled across a sample that led me to the unique findings.

Thirdly and finally, Islam as a religion (though a sub-set of the overall ethnic culture) was seen as a facilitating factor in knowledge sharing, probably because Islam promotes ethical business practices. However, this research did not capture enough data to do an in-depth analysis of the impact of religion on the success of these businesses.

Having mentioned the above limitations, the aim of this study was to paint a picture about the perceived importance of Intangible Human Factors in the success of the sample businesses according to the participants. Analysis of the interview data allowed identification of patterns, which would guide readers to make judgments and could possibly make the findings transferable - the equivalent of generalization in quantitative research (Larsson, 2009). However,

since the current research is conducted in a small and particular local context as a case study, the findings are aimed at explanation and not generalization. That said, the findings may be subject to modifications in light of any relevant new evidence in the same context or elsewhere in the future. The next section identifies specific areas of possible future empirical research.

11.5 Possible future research paths

The notion that certain types of IHFs are considered as more important resources than others for organisational success is a well-researched topic, but in large organisational settings only. Small organisations, especially ethnic minority small businesses, have failed to attract scholars' attention with respect to this type of empirical enquiry. From the perspective of deploying IHFs for organisational success, I believe this is one of the first studies, and probably the only study, of its kind. Because of the relative uniqueness of this study, its findings, and the CIEM that is built and presented in this research, need to be treated with caution and as tentative results. However, empirical research in the following four areas may provide useful insights into the findings that are presented in this study, in particular, and to the field of ethnic minority entrepreneurship/small business, in general.

Firstly, the CIEM posits that ethnic culture in the sample business community drives business success. While this model extends the culturalist view and the mixed embeddedness model within the ethnic minority entrepreneurship/small business literature, it goes further than that. For example, this model suggests that while ethnic culture shapes the success of these businesses, successful businesses, in turn, support the survival and maintenance of the ethnic culture. However, this study focused on a small ethnic business community in a limited geographic area, its findings may have little applicability in other contexts. Future research may investigate whether or not these are local phenomena that are relevant to this particular region or to this ethnicity only.

Secondly, participants repeatedly made strong statements with regard to customers', suppliers', and employees' satisfaction and loyalty. However, these

perceptions of the participants may be questioned and understood as biased personal opinions. Customers', suppliers', and employees' experiences in the same sector, or elsewhere, may differ. Future studies that aim to explore customers', suppliers', and employees' viewpoints in these, and/or similar, businesses could add useful insights to the findings and the model that is developed and presented in this study.

Thirdly, with regard to knowledge sharing, religion (specifically Islam) was portrayed by participants as a facilitating factor, but culture was presented as an obstacle. In particular, hiding knowledge was linked to the local politics in South Asia, which seems to create interpersonal jealousy. Consequently, they hide knowledge from their own coethnic fellows, including family members, and allow them to make a mistake and/or incur a loss. These are seemingly unique insights that the current study has brought to the fore. Future research can explore whether or not these are ethnic cultural characteristics peculiar to this ethnic group only.

Fourthly and finally, in the case of the Western developed world, specifically in large organisational contexts, education (academic qualifications) is valued as the rootstock for development of key skills that are required in modern workplaces (Millan et al., 2014 ; Fitzsimons, 1999 ; Tan, 2014). Contrary to this conventional wisdom, education, in the current study, did not emerge as an important resource, like customer service skills, relationships, knowledge, experience, and training. These businesses tend to narrowly focus on their own coethnic customer, supplier, and employee base. Thus, the Western-style education is seemingly not believed to prepare people with skills that may be required to run or to work in the type of businesses that this research has studied. Future research may investigate if that is the case with similar business communities elsewhere or if these are perceptions related to this business community only.

11.6 Concluding remarks

In light of the findings (cf. Chapters 5 - 9) and the analytical discussion (cf. Chapter 10), I believe this study provides an appropriate explanation to the research question '*how do intangible human factors contribute to business success in ethnic minority small businesses?*' That is, various forms of IHFs seem to play important roles in the success of these businesses, but the perceived value of their roles depends on how strongly they are embedded in the ethnic cultural framework. Therefore, it is believed that the model that is built and presented in this research - the culture-induced entrepreneurship model - makes an important original contribution to the ethnic minority entrepreneurship and small business body of knowledge. Specifically, the findings and the model make an original contribution to the culturalist view and the mixed embeddedness model of ethnic minority entrepreneurship/small business literature. Besides questioning the narrow focus by this business community on their own coethnic base and highlighting possible future drawbacks of doing so, findings raise important implications for researchers, practitioners, and policy-makers and thus, proffer new directions for future research. The model, together with the possible research avenues pointed out in this chapter, provides the basis for my research career for many years to come (if Allah wills). The potential research questions may also guide other researchers in expanding relevant bodies of knowledge. With this concluding chapter, the current thesis comes to an end but only for this research topic to continue.

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Appendices

Appendix 1: Defining key concepts

Competitive advantage

The phrase **competitive advantage** (CA) represents a specific position, whereby a firm achieves supernormal returns/profits that are in excess of opportunity costs in the short-term (Barney, 1991). **Sustained Competitive Advantage** (SCA) refers to a position when a firm sustains these above-average returns/profits in the long-term, whereby its competitors are unable to duplicate the value created (Arend, 2015 ; Barney, 1991). **Business success**, in the current study, refers to the ideal situation of making a net profit from the business, the continued growth of the business, or surviving as a business entity insofar as it does not accrue a loss.

Innovation

Innovation ideally refers to the process of introducing a new product, service, and or a process with the aim to fulfil a demand or to take advantage of a gap in the market. The Oslo Manual (2012, p. 32), also cited by Raymond and St-Pierre (2010, p. 48), defines product innovation and process innovation as two different concepts. Accordingly, product innovation refers to the introduction of a new *‘product whose technological characteristics or intended uses differ significantly from those of previously produced products... [or] an existing product whose performance has been significantly enhanced or upgraded.’* Whereas, process innovation refers to *‘the adoption of technologically new or significantly improved production methods, including methods of product delivery.’* In the context of the current study, participants referred to innovation as innovative adaptability (Mahsud et al., 2011). They did not necessarily understand the concept of *‘innovation’* as introducing new products or services, but adopting new products, processes, or techniques, which might have already been adopted by other businesses in other sectors/markets.

Resources

According to Wernerfelt (1984), a resource is defined as anything which provides means for a firm to operate and obtain some form of strength, or weakness if it is absent. **Assets** are similar to resources. However, assets are considered the end products, or services, that are offered to consumers, whereas resources are typically semi-permanent parts of a firm. Resources are typically not offered to consumers as end products. Examples of resources include land, human resources, and IT systems (Wernerfelt, 1984). Barney (1991, p. 101) offers a more comprehensive definition of resources and assets as: *'firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness.'*

Human capital

Human capital *'is a general term that refers to all of the resources that individuals directly contribute to an organization: physical, knowledge, social and reputational'* (DeNisi et al., 2003, p. 6). Ployhart and Moliterno (2011, p. 128) define human capital as: *'a unit-level resource that is created from the emergence of individuals' knowledge, skills, abilities, and other characteristics (KSAOs).'* **Human capital resources** are unit/firm-level intangible resources, which stem from individual-level knowledge, skills, and abilities (Ployhart and Moliterno, 2011), which the unit/firm does not solely own/control but has access to, and which have the potential to affect unit/firm-level operational performance (Haq, 2016). **Strategic human capital resources** refer to those human capital resources which have the potential to affect the achievement of long-term organisational strategic goals (Haq, 2016).

Social capital

Social capital is defined as the relationships, interdependencies, and connections among/individuals/groups/organisations based on mutual trust, confidence and respect in a reciprocal way (Bubolz, 2001 ; Danes et al., 2009 ; Coleman, 1988 ; Ivy et al., 2015 ; Arregle et al., 2007). Social capital between

similar individuals/groups is called bonding social capital, whereas between different individuals/groups is referred to as bridging social capital (Lassalle, 2008 ; Coleman, 1988). These types of social capital are also referred to as weak ties and strong ties respectively (Rowley et al., 2000 ; Pfeffer and Parra, 2009).

Relational capital

Relational capital is a type of social capital, which exists in the form of the amount of trust, respect and reciprocity between the actors (Cousins et al., 2006).

Cultural capital

Cultural capital is a class or ethnic resource (Bourdieu, 1986 ; Light and Gold, 2000 ; Jayawarna et al., 2014 ; Yosso, 2005) that is manifested in the form of '*pictures, books, dictionaries, instruments, machines, etc.*' (Bourdieu, 1986, p. 17). Cultural capital exists in three forms: first, embodied cultural capital, also known as inherited cultural capital; second, objectified cultural capital, also referred to as cultural manifestations through physical objects and actions; and third, institutionalised cultural capital, which is earned through education and experience (Light and Gold, 2000 ; Bourdieu, 1986).

Culture

According to Hofstede (1984, p. 82): '*culture is the collective programming of the mind which distinguishes the members of one group or society from those of other.*' He also articulates how cultures are maintained and/or transferred: '*Culture consists of the patterns of thinking that parents transfer to their children, teachers to their students, friends to their friends, leaders to their followers, and followers to their leaders*' (Hofstede, 1984, p. 82). The GLOBE project defines culture as: '*shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations*' (House et al., 2004, p. 15).

Cultural manifestations

Cultural manifestations are defined as: *'commonly experienced language, ideological belief systems (including religion and political belief systems), ethnic heritage, and history'* (House et al., 2004, p. 15). Cultural manifestations are also referred to as *'ritualised occasions'* (Boissevain et al., 1990, p. 134).

Cultural values

Cultural values are *'concepts or beliefs about desirable end states or behaviors that transcend specific situations, guide selection or evaluation of behavior and events, and are ordered by relative importance'* (Schwartz and Bilsky, 1987, p. 551). For Schwartz (1999, pp. 24-25) values are: *'conceptions of the desirable that guide the way social actors (e.g. organisational leaders, policy-makers, individual persons) select actions, evaluate people and events, and explain their actions and evaluations... values are trans-situational criteria or goals... ordered by importance as guiding principles in life.'*

Norms

Norms refer to attitudes and behaviours that are considered normal in a given context. In other words norms *'are standards or rules that tell members of a group or society how they should behave'* (Schwartz, 2012, p. 16) in a particular context.

Society

A critical definition of society is offered by Archer (1995, p. 2) as: *'society' is that which nobody wants in exactly the form they find it and yet it resists both individual and collective efforts at transformation - not necessarily by remaining unchanged but altering to become something else which still conforms to no one's ideal.'* Makumbe (1998, p. 305) defines society as: *'an aggregate of institutions whose members are engaged primarily in a complex of non-state activities - economic and cultural production, voluntary associations, and*

household life - and who in this way preserve and transform their identity by exercising all sorts of pressures or controls upon state institutions.'

Knowledge

Knowledge is defined as '*information that has been combined with experience, context, interpretation, and reflection*' (Davenport et al., 1997, p. 1). Knowledge acquisition is the extent to which a firm learns the know-how (experience-based knowledge) and know-what (task-based knowledge) from internal and external sources (Ipe, 2003 ; Liu et al., 2010).

Entrepreneurship

An agreed-upon definition of entrepreneurship does not exist in the extant literature, perhaps, because it is a multidisciplinary function (Carland et al., 2002 ; Bull and Willard, 1993) and is a multidimensional concept (Canever et al., 2010 ; Lee and Peterson, 2001). However, some scholars attempted to define this phenomenon. For example, according to Shane and Venkataraman (2000, p. 218), entrepreneurship is the combination of two phenomena: the availability of an '*opportunities to create future goods and services*'; and '*individuals who discover, evaluate, and exploit*' these opportunities. Others define entrepreneurship as, the '*field that is concerned with the discovery and exploitation of profitable opportunities*' (Chand and Ghorbani, 2011, p. 594). While trying to differentiate between an **enterprise** and an **entrepreneur** Bull and Willard (1993, p. 185) stated: '*the carrying out of new combinations [of business activities], we call enterprise... the individuals whose function is to carry them out we call entrepreneurs*'.

According to Lee and Peterson (2001, p. 402), **entrepreneurs** are persons who have: '*a propensity toward risk-taking, high achievement, or an internal locus of control, are thought to be leaders of innovation or catalysts who provide the "spark" for economic growth and development.*' As such, '*entrepreneurship does not require, but can include, the creation of new organizations... entrepreneurship can also occur within an existing organization*' (Shane and Venkataraman, 2000, p. 219). Successful entrepreneurs are: '*Those who*

experiment with promising new technologies, seize opportunities, or in other ways demonstrate initiative or decision-making competence... than those who do not display such behaviors' (Lee and Peterson, 2001, p. 402).

Ethnic entrepreneurs

According to Drori et al. (2009, p. 1002), '*Ethnic entrepreneurs are those individuals whose group membership is tied to a common cultural heritage or origin.*' Chand and Ghorbani (2011, p. 594) define **ethnic entrepreneurship** as: '*a set of connections and regular patterns of interactions among people sharing a common national background or migration experiences.*'

Immigrant entrepreneurship

Immigrant entrepreneurship represents the entrepreneurial activities '*of recent migrants by the means of starting a business or engaging in self-employment*' (Chand and Ghorbani, 2011, p. 594).

Ethnic minority businesses

Ethnic minority businesses are those '*businesses that are owned and staffed by ethnic minorities*' or '*firms that serve an ethnic minority clientele base*' or firms whose ownership is based on the ethnic origin of the owner(s) (Ram et al., 2012, p. 505).

Founder, business owner, and employee-manager

In the context of the current case study, a **founder** is a person who has established a business, but may or may not be involved in the management of the business at a given point in time. **The business owner, or owner-managers**, is a person who is involved in the running of the business, is a member of the family who owns the business, but is not the founder of the business. **Employee-manager** is a person who is not among the owners, but works in the business as a manager.

Ethnicity

The word ethnicity is derived from the Greek word '*ethnos*', which refers to '*some form of unity other than the strictly political. It has referred to a nation in the sense of people, not a state [kratos]*' (Just, 1989, p. 71). Moreover, '*ethnicity is a social identity characterized by fictive kinship*' (Banks, 1996, p. 4). Furthermore, The word '**ethnic** is an adjective that refers to differences between categories of people... it implies that members have some awareness of group membership [or belongingness]' (Waldinger et al., 1990a, p. 33).

Ethnic people

According to Yinger (1985, p. 159), **ethnic people** are '*a segment of a larger society whose members are thought, by themselves and/or others, to have a common origin and to share... a common culture... participate in shared activities in which the common origin and culture are significant ingredients*'. Pécoud (2010) believe that the term ethnic people refer to a group of people who belong to a particular geographic region, country, city, a defined religion; a specific cultural background, and or a distinct race, or colour. This list is not exhaustive because it can include any such characters which differentiate one group of people from another. A group of people is considered an **ethnic minority** if their population in a certain area is less in numbers than any other groups, who have markedly different characteristics than that of the other groups in that area.

South Asian ethnic minority

There is no consensus about which countries should be included in the geographic region known as South Asia, sometimes referred to as (Indian) Subcontinent. Some agencies, like the United Nations, include countries such as Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, and Sri Lanka (Mann, 2014) when they refer to the region of South Asia. However, most scholars, specifically in the UK, refer to countries known as Bangladesh, India, and Pakistan when they introduce people from South Asian countries. Therefore, in the current study, the term South Asian ethnic minority in the UK refers to people with origins from these three countries. This definition matches

with what many scholars have already referred to people from this geographic region. For example, Jones and Ram (2010, p. 163-164) referred to South Asians as: *'in the case of the South Asian diaspora – notably Indians, Pakistanis and Bangladeshis in the UK.'* Similarly, in their research entitled *'South Asian entrepreneurship in Great Britain: factors influencing growth'*, Basu and Goswami (1999, p. 255) indirectly referred to South Asians as: *'Lists of leading businessmen were also obtained from the High Commissions of Bangladesh, India, and Pakistan.'*

Class resources

Class or social class represents a hierarchical categorisation of people based on a set of ideas, beliefs, and values (Marshall, 2006). The class of a person is defined as: *'an individual's position within an economic hierarchy that is determined by his/her income, education level, and occupation'* (Chronister, 2006, p. 169). **Class resources** represent vocationally relevant cultural and material ability of a group of people who are similar to each other that is defined by situational adversities and or enforceable trust that forces them to act in a peculiar way out of bounded solidarity (Light and Gold, 2000 ; Portes and Sensenbrenner, 1993). More specifically, class resources include private property, human capital, and money to invest (Light, 1984 ; Zonta, 2012), in addition to *'bourgeois values, attitudes, knowledge and skills transmitted intergenerationally in the course of primary socialization'* (Light, 1984, p. 202).

Ethnic resources

According to Light (1984, p. 201), ethnic resources refer to all types of tangible and intangible resources that are owned by a given ethnic group and *'which coethnic business owners can utilize in business or from which their business benefits.'* For Boissevain et al. (1990, p. 132), ethnic resources are *'sociocultural features of a group that coethnic business owners utilize in business or from which their businesses passively benefit.'* In other words, ethnic resources are *'features of a group that coethnics utilize in economic life or from which they derive economic benefits'* (Light and Gold, 2000, p. 105).

Rotating credit association

A rotating credit union, or system, refers to an informal credit union that is temporarily formed based on trust among relatives, friends, colleagues, and/or a group of individuals known to, and trusted by, each other where every individual contributes a fixed amount of money periodically (Light and Gold, 2000 ; Portes and Sensenbrenner, 1993). The sum is given to a member at the end of every period (usually a week or a month) according to a draw which is done at the beginning. It is a kind of ethnic resource (Light and Gold, 2000 ; Portes and Manning, 2012). The contribution of the funds continues until each member receives their share. The union is then terminated, or renewed, or another one is formed.

Mixed embeddedness

The concept of **embeddedness** was coined by the Austro-Hungarian economist Karl Paul Polanyi. **Embeddedness** refers to the extent to which social structures influence economic activity (Portes and Sensenbrenner, 1993). In the discipline of ethnic minority entrepreneurship, **mixed embeddedness** refers to the extent to which ethnic minority economic activity is embedded in their own social structures and in the social fabric of the host country/society (Kloosterman et al., 1999 ; Portes and Sensenbrenner, 1993).

Globalization

According to Hines (2007, p. 13), *'The term **'globalization'** has been coined to represent the ways in which markets have converged throughout the world and the ways in which production poles have shifted geographically to satisfy global consumers. It is a trend. It is not to assume that we have arrived at the destination yet.'* **Globalisation** encourages **free or unrestricted trade** between nations and/or states (Hines, 2007 ; Buckley and Ghauri, 2004). Hines (2007, p. 10) defines: *'Free trade is essentially a system of trading without recourse to tariffs, quotas and export subsidies.'*

Appendix 2: Participant information sheet

Dated: _____

Full Name of the participant: _____

Full Address of the participant: _____

Subject: request for participation in a Ph. D. research

Project Name: The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

Dear _____

I am a Ph. D. student at the School of Management, University of Bradford. My research is to evaluate how peoples' education, training, experience, skills knowledge, and abilities affect firm performance and subsequently firm success in South Asian Ethnic Minority Small Enterprises in West Yorkshire.

The overall aim of the research is to highlight role of owners, managers, and the workforce in the aforementioned small businesses and to investigate if their education, training, experience, skills, knowledge, and abilities contribute to their individual performance at work and affect firm's competitive positioning, in other words making them successful.

The information being collected for this research is the perceptions of owners and/or managers about developing and using theirs', as well as that of their members of staffs', education, training, experience, skills, knowledge, and abilities for the long-term success of their businesses. In order to achieve the research objectives, I would like to interview each owner, or a manager, of the above type of businesses individually in a face-to-face environment. The interviews will seek to explore participants' perceptions, understandings, and experiences regarding the role of their work, including themselves, plays for the success of their businesses.

Interviews will be arranged according to the availability and choice of a location by the participants. Each interview will take about one to one and half hours.

The research is sponsored by the University of Bradford.

In addition to being of considerable academic interest, there are expected benefits for owners, their employees, and businesses in terms of how they can make their businesses successful, or more successful, in the long-term. Moreover, the research will have implications for policy-makers in the areas of free advice to small businesses, grants for small businesses, funding staff training and skill enhancement, which can be of benefit to these small businesses, their owners and employees.

Confidentiality

Interviews will be recorded and fully transcribed. The recordings will be stored in a secure location and only the researcher will have access to the data. Any opinions expressed by the participants will be anonymized and will not be presented in a way that might lead someone to associate it to a particular participant. Moreover, a list of pseudonyms for participants (for reference or data monitoring purposes only) will be

prepared and will be kept in a securely locked place and will not be shared with anyone by the researcher.

How the data provided by you will be used?

The data from this research will be used for:

- Ph. D. thesis
- Academic research papers and presentations
- A summary report may be circulated to all interested participants or participating businesses

I hope you will be able to help with this important area of research. Following this introductory letter, I will contact you shortly through telephone. In the meantime, please read the enclosed consent form carefully. Please sign it should you decide to participate and let me know through email or telephone so that I could come over and collect it.

Note: Please indicate on the consent form if you would like to receive a summary of the results. Please get in touch with me using the following contact details if you would like to have any further information with regard to this research.

Best regards,

Muhibul Haq

Ph. D. Researcher
School of Management, University of Bradford
Address: Emm Lane, Bradford BD9 4JL
Mobile: 07975544094
Email: m.haq@bradford.ac.uk

Appendix 3: Covering letter

Project Name: The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

Dear _____ of _____
(Name of the potential participant) (Name of the organisation)

Thank you for agreeing to participate in this research. Please read the following carefully and let me know if you want to discuss any of these points or if you are not sure or not comfortable with any of these points.

- The project is aimed at exploring the role people (owners, employees, and employees) play in Asian businesses selling clothing and related products
- An owner or any person, with managerial responsibilities, from each organisation, will be interviewed.
- The interview will last for about one hour to one hour 30 minutes. To facilitate the interviewer's job, the interview will be recorded using an appropriate digital recording device.
- The interview material, including the recordings, will be used solely for this research only, including relevant conference papers/presentations and subsequent research articles, and will not be shared with any third party.
- At any time, the participant can refuse to answer certain questions, discuss certain topics or even put an end to the interview without prejudice to them, without giving any reason and without being penalized to do so in any manner/way by anybody within the organisation or from outside the organisation.
- The participant can ask the researcher to not use their data at anytime within two weeks of the date of the interview. They can do so either by sending an email to the email address that is given below and/or by ringing on the mobile number, also given below. Their request will be honoured without prejudice to them, without asking them for a reason and without penalizing them in doing so in any manner/way by anybody within the organisation or from outside the organisation.
- All interview data, including the recordings, will be handled so as to protect confidentiality. Therefore, no names of individuals and/or organisations will be mentioned in the report. In addition, the interview data will not be interpreted in the report in any way which might lead readers to associate such interpretations to a particular person or organisation.
- All interview data, including the recordings, will be kept in a securely locked place and/or in a securely password protected computer, as appropriate, and will not be shared with any third party.
- All interview data, including the recordings, will be destroyed after the Ph. D. thesis is written and published and in accordance with the guidelines set out by the University of Bradford.

- For any information about the project, please contact Mr. Muhibul Haq on email address: m.haq@bradford.ac.uk or Mobile: 07975544094

I thank you and your organisation once again for agreeing to participate in this research.

Muhibul Haq

Ph. D. Research

University of Bradford, School of Management, Emm Lane, Bradford, West Yorkshire
BD9 4JL, Ph: 01274 234485

Appendix 4: Participant consent form

Project Name: The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

I agree to participate in this research project whose conditions are as follows:

- The project is aimed at exploring the role peoples' (owners, manager, and employees) education, training, experience, skills knowledge and abilities play in my organisation. For this purpose, a semi-structured interview will be conducted with me.
- The interview will last for about one hour 30 minutes and questions will deal with what role do human beings play in the success of my firm.
- The interview I give and the information it contains will be used solely for the purposes defined by this project in the covering letter that has been given to me already.
- At any time, I can refuse to answer certain questions, discuss certain topics or even put an end to the interview without prejudice to myself and/or my organisation.
- I will be able to ask the researcher to not use my data at anytime within two weeks from the interview without giving him any reasons. I will be able to do that either by sending an email to the email address that is given below and/or by ringing on the mobile number also given below. I understand my request will be honoured without prejudice to me and without me or my organisation being penalized to do so in any way by anybody related to or due to this research.
- To facilitate the interviewer's job, the interview will be recorded. However, the recoding will be destroyed as soon as possible but within 10 years of the project report/thesis is published.
- The interview data will be handled in a way that would make sure that my confidentiality is protected.
- All other data related to the interview will be destroyed as soon as possible but within 10 years of the project report/thesis is published.
- For any information about the project, I can contact the researcher (Mr. Muhibul Haq) on email address: m.haq@bradford.ac.uk or Mobile: 07975544094.

Participant's signature: _____
Participant's Name: _____
Participant's Business Name: _____
Date: _____
Interviewer's signature: _____
Interviewer's Name: _____
Date: _____

Note: Please indicate if you would like to receive a summary of the results: Yes ☐ No ☐

Appendix 5: Sample demographic data collection form

Project Name: The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

Part A: Basic information about the participant and their organisation

Date: _____
Name of participant: _____
Official title: _____
Email Address: _____
Contact number: _____
Name of organisation: _____ Sector: _____
Address of organisation (head office): _____
Participant's unique code: _____
(to be allocated by the researcher)

Personal Information of the Respondent

Q1: Gender: ₁☐ Male ₂☐ Female

Q2: Age group ₁☐ 18-30 ₂☐ 31-40 ₃☐ 41-50 ₄☐ 50 plus

Note: the small number before the tick box will be used as its code when entering data into SPSS. This method of coding would follow for rest of the questions.

Q3: Country of birth: ₁☐ UK ₂☐ South Asia ₃☐ Africa ₄☐ Other _____

Q4: Ethnic origin: ₁☐ Bangladeshi ₂☐ Indian ₃☐ Pakistani

₄☐ Other _____

Q5: Religious background: ₁☐ Christian ₂☐ Hindu ₃☐ Muslim ₄☐ Sikh

₅☐ Other _____

Q6: Your Academic qualifications: ₁☐ Below GCSE ₂☐ GCSE/equivalent
₃☐ Degree ₄☐ Post graduate or above ₅☐ Other _____

Q7. Have you participated in any research during the last five years? (This question is included to determine over exposure)

₁☐ Yes (please specify) ₂☐ No

₃☐ Date (or approximate date) _____ Topic: _____

₄☐ Date (or approximate date) _____ Topic: _____

₅☐ Date (or approximate date) _____ Topic: _____

Q8. Training you have attended

☐ NVQ1/equivalent ☐ NVQ2/equivalent ☐ NVQ3/equivalent

☐ NVQ4/equivalent ☐ NVQ5/equivalent ☐ Other ☐ None

Q9. Are you founder of this business? ☐ Yes ☐ No

Q10. What is your role? ☐ Owner ☐ Employee

Part B: Information about your company/employer and its workforce

Q11: Name of the establishment (or branch name in case of a chain): _____

Q12: Nature of business: ☐ Wholesale ☐ Retail ☐ Wholesale & Retail

Q13: Type of business: ☐ Family Limited ☐ Partnership Limited ☐ Partnership

☐ Family Business ☐ Sole Trader ☐ Limited

Q14. What are the main products your company sells?

☐ Readymade garment, textiles, footwear & accessories ☐ Other: _____

Q15. How many branches your company has?

☐ one branch only ☐ 2-4 branches ☐ 5 - 7 branches ☐ 8 or more branches

Q16. Number of employees in your company

☐ Up to 10 ☐ 11 to 20 ☐ 21 to 30 ☐ 31 to 40 ☐ 41 to 50 ☐ above 50

Q17. Age of the company (since it was founded): _____

Q18. Is the owner also the overall manager/decision-maker of the company? ☐ Yes ☐ No

Q19. Average qualifications of your workforce:

☐ Below GCSE ☐ GCSE/equivalent ☐ Degree/equivalent

☐ Post graduate degree/equivalent

Q20. Who makes decisions regarding staff training and development?

☐ The HR Manager or managers with HR related duties ☐ Line/department managers

☐ Owners ☐ Other _____

Q21. During the last five years, has your company invested in the following areas of staff training and development?

☐ Taught courses ☐ On-the-job training ☐ Both the above

⁴☐ Other: _____ ⁵☐ None

Q22. What incentives does your organisation offer for staff for learning?

¹☐ Possible promotion

²☐ Possible wage increase

³☐ Paid time off

⁴☐ Company loan

⁵☐ Financial sponsorship

⁶☐ Two or more of these incentives

⁷☐ Other

⁸☐ None

Appendix 6: Sample qualitative semi-structured interview guide

Project Name: The Role of Intangible Human Factors in Business Success in South Asian Ethnic Minority Small Businesses.

Code: _____
(First name last 2+last name last 2+date inverted)

Date: _____

Interview fact sheet

Information sheet given: ₁ ☐ Yes ₂ ☐ No

Consent form signed: ₁ ☐ Yes ₂ ☐ No

(The interview will not proceed if the answer is no to any of the above two questions).

Time: _____ Location: _____

Interviewer: _____ Any comments: _____

Guide Questions.

1. **Can you please describe your business in terms of its nature and the way it is run?**
2. **Please tell me why have you started or entered into this business?**
3. **Please explain if there are reasons other than economic objectives for you being in this business**
4. **Business Success:** Please explain how will you describe success in a business like yours?
5. **Business growth and/or growth potential:** What is your understanding about growth of your business during the last any number of years (number of years the business has existed) in terms of?
 - 5.1 Employment:
 - 5.2 New branches:
 - 5.3 New product or product lines
 - 5.4 Compare to your competitors, can you describe the growth potential of your business?
6. **Business profitability**
 - 6.1 How would you describe profitability of your business during the last any number of years?
 - 6.2 Considering the general business environment, what is the profitability forecast of your business for the next 12 months?
 - 6.3 Compare to your competitors, how would you describe profitability of your business?

7. Importance of Academic Qualifications for Business Success

- 7.1 In your experience and understanding, how do academic qualifications of your's and/or of members of your staff affect the overall success of the business?

8. Importance of Training

- 8.1 How would you compare more or better formally trained people than less or poorly trained people in terms of their contribution towards the business successes?
- 8.2 In your business, how differently formally trained members of staff perform their daily routine activities compare to untrained or less trained members of staff?

9. On-the-job training

- 9.1 Please explain what roles does on-the-job training play for the success of your organisation
- 9.2 Please explain what mechanisms you have in place for on-the-job training of your staff

10. Importance of Relevant Experience

- 10.1 Please describe the importance of previous relevant experience of your's and/or the members of your staff for successful completion of tasks and duties.

11. Importance of Overall Skills

- 11.1 Can you please explain how the overall skill levels of people working here make your business successful?
- 11.2 What would you say about overall skills of people working here that impacts on the success of your business?

12. Customer and community relationships

- 12.1 Please explain the impact of customer relationships on your business.
- 12.2 Please explain the importance of the relationship between your business and the wider community.
- 12.3 Can you explain how do you effectively manage customer and community relationships?

13. Family involvement in the Business

- 13.1 Please explain how much is the family and close relatives are involved in running this business?

- 13.2 Can you please explain how close is the relationship between your workforce and family members or relatives who are involved in running this business?

14. Role of culture in Business Success

- 14.1 Please explain how your ethnic culture affects your business?
- 14.2 Can you please describe how your ethnic cultural values impact the way you run this business?

15. Role of Belief Systems in Business Success

- 15.1 Please explain how does your belief system, religious or non-religious, affect the way you run this business?
- 15.2 How your belief systems add value to your business practices? (This question was added after pilot test)

16. People helping and cooperating with each other

- 16.1 How would you differentiate people with higher levels of education and training than their less educated counterparts in helping and cooperating with each other?

17. Business ties with other businesses and institutions

- 17.1 How would you describe the relationships your business has with other local and non-local businesses?
- 17.2 Tell me about the nature of any relationships your business may have with your suppliers?
- 17.3 Can you describe the relationship your business has with public institutions, such as local council, jobcentreplus, public funded training providers and other public bodies?

18. Negotiation skills

- 18.1 How would you differentiate your staff with higher levels of education, training, and experience in negotiating with other businesses, such as buyers and suppliers, compared to less educated staff?

19. Internal team players and their relationships with external companies

- 19.1 Please explain in your experience how good team players in your business establish and maintain relationships with external businesses than those employees who are not considered as effective team players.
- 19.2 How does some body's team oriented behaviour affect the way they establish relations with customers and suppliers? (This question was added after pilot test)

20. Knowledge Possessed by people and their Performance

- 20.1 In your experience and understating, how the level of knowledge possessed by people working here makes your business competitive or successful?
- 20.2 Please explain how does the level of work-related knowledge possessed by your employees affect their work performance? (This question was added after pilot test)

21. Organisational Learning

- 21.1 Please explain how learning skills leads your members of staff to better performance.
- 21.2 Please tell me how somebody's personal initiative towards learning affects their performance (this question was added after pilot test).
- 21.3 How does learning skills affect the overall business performance?

22. Education and knowledge sharing

- 22.1 Please explain the difference more educated people share their knowledge with others compare to less educated people.
- 22.2 Please tell me how the Asian culture affects the way people share their knowledge with others (this question was added after pilot test).
- 22.3 Please tell me how religion affects the way people share their knowledge with others (this question was added after pilot test).

23. Relationships and knowledge sharing

- 23.1 Please explain how relations among members of staff affect the way they share knowledge in your organisation.
- 23.2 Please tell me how the organisational culture affects the way people share their knowledge with others (this question was added after pilot test).

24. Unique capabilities of managers and senior staff

- 24.1 Can you please explain what type of unique capabilities or skills are possessed by those who make decisions in your business?
- 24.2 Please tell me how do these unique capabilities affect firm performance?
- 24.3 Can you explain how these members of staff and managers make a difference in your business because of the unique capabilities they have?
- 24.4 Can you explain how having good relations with colleagues and/or customers lead to acquire and utilize unique capabilities?

24.5 Please tell me how the organisational culture affects the way people acquire unique capabilities (this question was added after pilot test).

24.6 In your experience, how friendly relations among members of staff affect their unique qualities?

25. Is there anything else that you would like to tell me regarding your business?

26. Is there anything else you would like to tell me regarding your workforce?

Closing remarks

Mr/Ms/Mrs. _____ it was a privilege to interview you. I am very thankful to you for your time and information. Please keep my card and feel free to contact me whenever you may wish. Can I contact you again for any feedback or any other related information in future regarding this research? ₁☐Yes₂☐No

Appendix 7: A sample screenshot of data organisation leading to initial/open coding

The screenshot shows the NVivo software interface. On the left, the 'Nodes' pane displays a hierarchical tree structure:

- Nodes
 - _CodingPhase3
 - Likert Scales
 - Person-nodes
 - Questions
 - Respondents
 - Relationships
 - Node Matrices

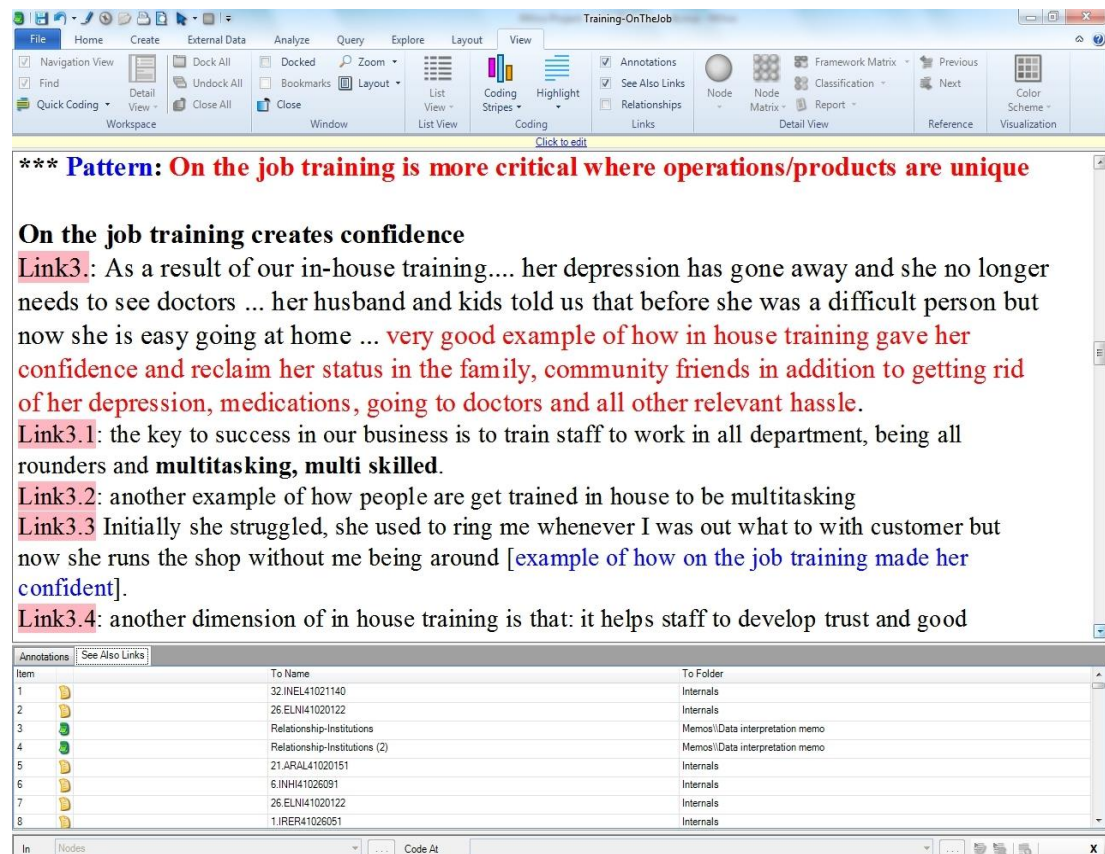
On the right, the 'Questions' pane shows a table with columns: Name, Sources, and References. The table lists various questions and their associated source and reference counts.

Name	Sources	References
AllQuestsAllResps	40	2141
Question1	36	44
Question10	35	40
Question11	34	38
Question12	38	131
Question13	34	57
Question14	36	43
Question15	35	43
Question16	36	47
Question17	36	131
Question18	36	44
Question19	31	36
Question2	36	44
Q2.ChangesInFashion	1	1
Q2.EntryToBusiness	0	0
Q2.EntryToEmployment	0	0
Q2.FamilyInvolvement	9	9
Q2.Manager'sRole	2	2
Q2.Owner'sRole	1	1
Q2.TargetMarket-Ladies	1	1

Notes:

- Data were initially organised according to the broad topics from the interview guide. However, data from within these broad topics were coded into nodes according to their similarity.
- Nodes were created as the coding process progressed.
- Text under each broad topics were coded in multiple nodes based on their relevancy to the node(s)
- Some nodes became parent nodes, others were merged together, yet others were split, leading to the identification of categories and themes (cf. Appendices 8 and 9 below).
- The green and yellow object (in between the 'Name' and 'Sources' columns in the above screenshot) indicates that a memo is attached to the node

Appendix 8: An exemplary screenshot of an analytic memo



Note:

- The pink coloured shade labels (such as Link0, Link4 etc. in the above screenshot) indicate that an item is hyperlinked to this text
- The text in blue and red highlight perceived patterns in the data
- The two tabs on the top-left side of the bottom part of the above screenshot show 'Annotations' and 'See Also Links'. This part of the screen shows details of project objects that are attached to this memo

Appendix 9: An example of a process memo during the third phase of coding leading to themes identification

Coding, in this research, has been a lengthy, complicated, and iterative process. Coding was carried out in three non-linear phases. The example given in this appendix is part of the third phase of coding and is presented as an exemplar for illustration purposes only.

Coding phase 3 - started on 28/02/2015

Aims of the third phase of coding:

1. To collate nodes - grouping nodes based on the nature of the codes inside them
2. Importance of the nodes - decide relative importance of the nodes and priorities them that would lead to the identification of the themes
3. Selection of themes - decide selection of the relevant themes, some of the themes may not be used

Step by step description of some of the stages of the process

The parent node AdminWork and its memo (only 1 entry) were merged with the node BusinessSuccess-How and its memo - 28/02/2015

The RoleOfOwners&Managers was renamed to ReasonsOwners&Managers-Entry - 28/02/2015

The node Religion-RoleOf was renamed to Religion-RoleOf-SC - 28/02/2015

Codes from some of the parent nodes were split into child nodes. The aim was to make clear the categories and themes using models. This step was taken after some further literature was read between 28/02/2015 and 02/03/2015 about using models in NVivo.

Codes under the parent node FamilyInvolvement-SC were split into the following four nodes (this was based on the categories identified in the node), the memo that was attached to the parent node was not changed:

FamilyAndStaffRunBusiness, FamilyInvolvementNotRequired, FamilyOnlyRunBusiness, FamilyNotInvolved-1personBusiness - 02/03/2015

Codes from the parent node ForeignEarned-HC were split into the following 2 nodes: ForeignEarnedHCNotUseful, ForeignEarnedHCUseful - 02/03/2015

Codes from the parent node ForeignVLocalWorkers-HR were split into the following 2 nodes: ImmigrantsAreDescriminated, ImmigrantsAreMoreHhardWorking - 02/03/2015

Codes from the parent node GenderDifferences-HR were split into the following 3 nodes: WomenAreMoreFrequentShoppers, WomenBargainMoreThanMen, WomenPreferToBeSrvdByWomenOnly - 02/03/2015

The codes of the parent node NegotiationSkills-THC were split into the following 3 child nodes: EducationIsNotRelatedToNegotiationSkills, EducationIsRelatedToNegotiationSkills, ExperienceAndKnAreRelatedToNegotiationSkill - 02/03/2015

Codes from the parent node Relationships-OwnersMgrs-Staff-HR were split into the following 6 child nodes:

DangersOfRelationshipsWithStaff, PositiveRelationshipsWithStaffResultsGoodPerformance, StaffAreInvolvedInDecisionMaking, StaffAreLikeFamily, StaffAreNotInvolvedInDecisionMaking, StaffRunTheBusinessWithDirectionsFormOwners - 02/03/2015

2 entries from the parent node RoleOfStaff-General-HR moved (1 to Kn-Customer&Product and the other to CreditCrunchImpact) and then the codes from the parent node RoleOfStaff-General-HR were split into the following 3 nodes:

ItIsYourStaffWhoRunTheBusiness, MotivatedStaffContributeMoreToBusinessSuccess, NegativeCommentsAboutStaff - 02/03/2015

1 entry from the parent node SocialMedia-UseOf-RC was moved to BusinessSuccess-How and then codes from this parent node were split into the following 4 nodes:

InternetUsedForMarketing, InternetUsedForSales, SocialMediaUsedForCustomerRelationshipManagement, SocialMediaUsedForMarketing - 03/03/2015

1 entry was deleted from the parent node SupplierBase&Location-RC along with its memo (the memo was duplicate), then the codes from the node were split into the following three nodes: BothLocalAndInternationalSuppliers, InternationalSuppliers, LocalSuppliersOnly - 03/03/2015

Codes from the parent node TeamWorking&TeamBenefits-HR were split into the following 10 child nodes:

DisadvantagesOfTeamWork, EducationAffectsTeamBehavior, GoodTeamPlayersAreGoodInRelationships, GoodTeamPlayersCompensatingEachOthersWeakness, GoodTeamPlayersFillTheGapIn, MotivationAffectsTeamBehavior, SpecializedSkillsAreMoreImportantInATeam, TeamBehaviorIsAnIndividualTrait, TeamProvidesLearningPlatform, TrainingAndExperienceAreRelatedToTeamBuilding - 03/03/2015

Codes from BusinessGrowth, ProfitMaking, SurvivalISuccess were merged to BusinessSuccess - 05/03/2015

Consequently, the 29 parent nodes (referred to as categories at this stage) that were identified in the second phase of coding were reduced to 24 parent nodes in stage three. The following three evaluative questions (cf. Table 13) were asked against each of these 24 parent nodes. The scoring is then listed in Table 14, also given below.

Table 13: Three evaluative questions asked during the third phase of coding - 13/03/2015

	Relevant	very relevant	
Relevancy	1	2	
	mostly talked	vast majority talked about	Almost all talked about
Talk about	1	2	3
	Important	very important	extremely important
Importance	1	2	3
Relevance: relevancy to the research topic (researcher's judgment)			
Talked about: how frequently the topic was talked about by the participants			
Importance: how important was this topic according to participants			

Table 14: Prioritization of the categories identified during the third phase of coding - 13/03/2015

S.#	Topic	Relevancy	Talk about	Importance	Total
1	BusinessSuccess	2	1	3	6
2	BusinessOperationalIssues	1	2	3	6
3	Culture- ethnic- SC	2	1	2	5
4	CustomerBase-RC	1	1	2	4
5	CustomerService-RC	2	3	3	8
6	DynamicCapabilities-DCs	2	2	2	6
7	Education- Academic Qualifications- CHC	2	2	2	6
8	Experience- THC	2	3	3	8
9	FamilyInvolvement-SC	1	2	1	4
10	ForeignEarned-THC	3	2	2	7
11	ForeignVLocalWorkers-HR	2	1	1	4
12	GenderDifferences-HR	1	1	2	4
13	Knowledge-KnB	2	3	3	8
14	LearningSkills-THC	2	2	2	6
15	NegotiationSkills-THC	2	2	2	6
16	ReasonsOwners&Managers-Entry	2	3	2	7
17	Relationships-OwnersMgrs-Staff-HR	2	2	2	6
18	Relationships-RC	2	3	3	8
19	Religion- RoleOf- SC	2	1	2	5
20	RoleOfStaff-General-HR	2	3	3	8
21	SocialMedia-UseOf-RC	1	2	2	5
22	SupplierBase&Location-RC	1	3	3	7
23	TeamWorking&TeamBenefits-HR	2	3	3	8
24	Training-THC	2	3	3	8

The above table gives an indication of the relative importance of each category, but instead of handling each one of them as separate issues some of them were merged based on relevancy. Subsequently, the 24 categories were reduced to 19 and then to 10. These 10 categories, their sub-categories and the codes inside them were revisited several times. As a result, it was decided to exclude three of them (cf. Table 15 below).

Table 15: Data reduction during the third phase of coding (categories excluded) - 16/03/2015

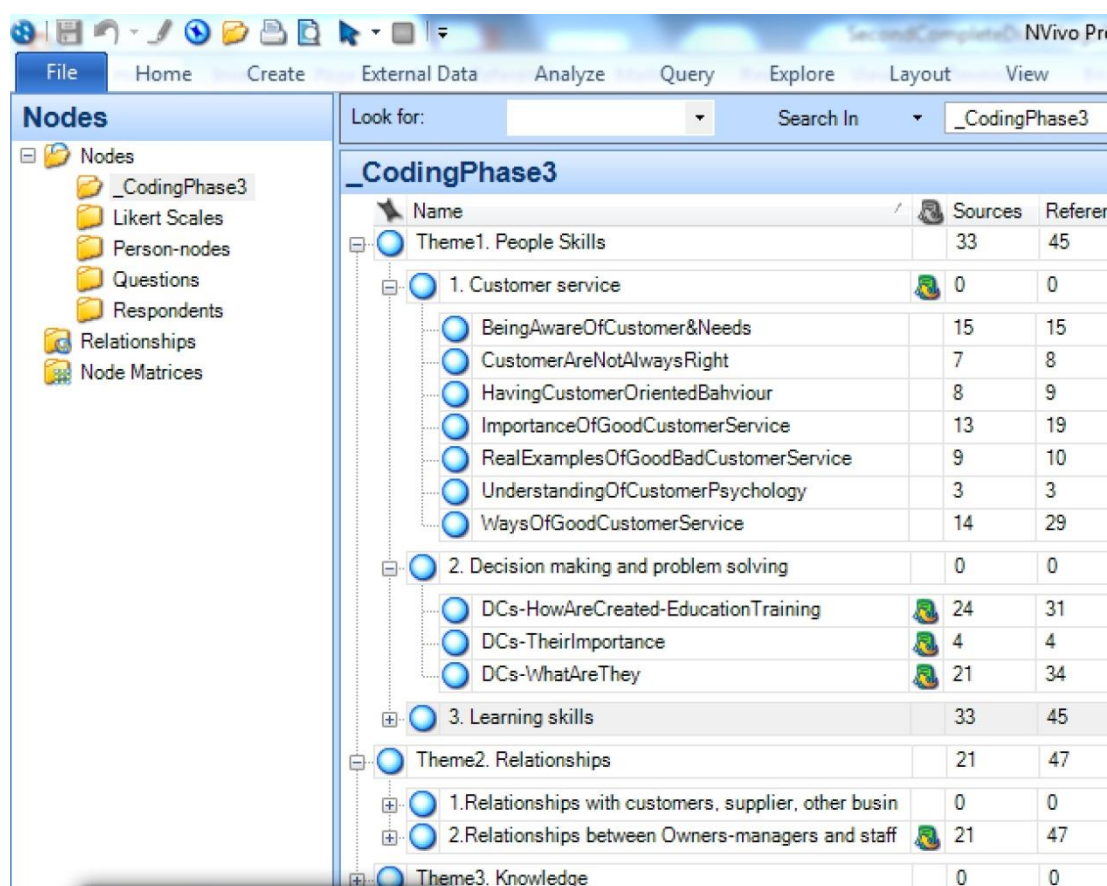
S.#	Themes	Merged categories
1	HR Issues	ForeignVLocalWorkers + GenderDifferences + Relationships-OwnersMgrs-Staff + RoleOfStaff-General + TeamWorking&TeamBenefits
2	DynamicCapabilities-DCs	DynamicCapabilities
3	Social Capital-family	FamilyInvolvement

The remaining seven categories formed the five overarching themes (cf. Table 16 below), that were included in analysis and interpretation in this research. Based on these five themes the thematic map (Figure 2 in methodology chapter) was created.

Table 16: Data reduction during the third phase of coding(categories included)- 17/03/2015

S.#	Themes	Merged categories
1	Business success	ProfitMaking+Growth+Survival
2	Compassionate Customer Service	CustomerService + LearningSkills + NegotiationSkills
3	Relationships	CustomerBase + Relationships + SupplierBase&Location + SocialMedia-UseOf
4	Knowledge, Experience, Training and Education g	Knowledge and Knowledge Sharing + Experience + ReasonsOwners&Managers-Entry + Training + Education (Academic Qualifications including) + ForeignEarnedEducation
5	External Social and Economic Factors	Culture-ethnic + Religion+ BusinessOperationalIssues (Competition, creditCrunch, Growth)

Appendix 10: An exemplary screenshot of themes identification process during the third phase of coding



Appendix 11: Review articles

Review Article 1: South Asian ethnic minority small and medium enterprises in the UK: a review and research agenda

An electronic copy of this review article can be accessed from:

- Published version: <http://dx.doi.org/10.1504/IJESB.2015.070222>
- Bradford Scholars: <http://hdl.handle.net/10454/7388>

The article can be cited as:

Haq, M. (2015) South Asian ethnic minority small and medium enterprises in the UK: a review and research agenda. *International Journal of Entrepreneurship and Small Business*, 25 (4), 494-516.

Review Article 2: Human capital resources: a review and direction for future research

An electronic copy of this review article can be accessed from:

- Published version: <https://doi.org/10.1504/IJMD.2016.083581>
- Bradford Scholars: <http://hdl.handle.net/10454/12342>

The article can be cited as:

Haq, M. (2016) Human capital resources: a review and direction for future research. *International Journal of Management Development*, 1(4), 261-286.

Hard copies of the above two articles are attached to the hard copy of the thesis.

NB: since these review articles are the result of the literature review that was carried out for this thesis, there may be sentences, phrases, and/or paragraphs in the articles that might have been repeated in the thesis, albeit the articles have been cited in the thesis.